

The Credit World

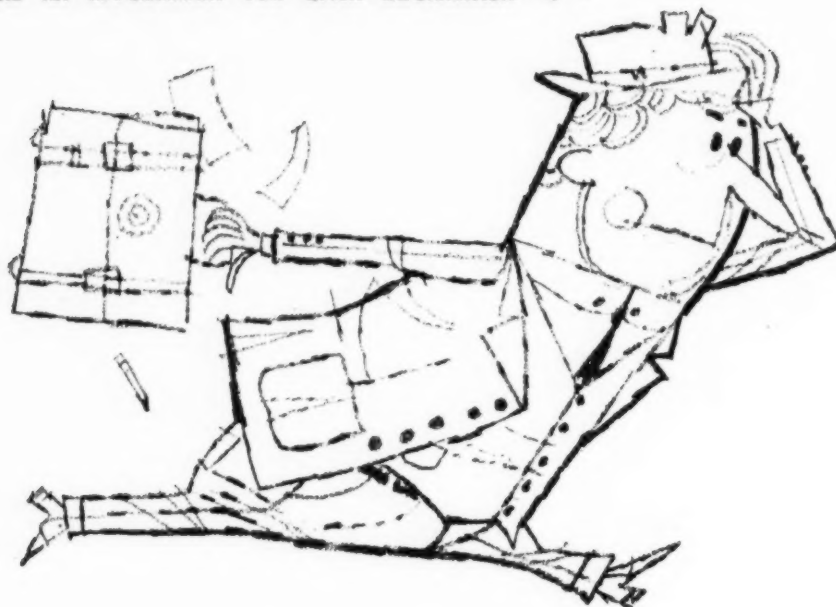
in this issue

Waycross, Georgia
Credit Bureau in Community
Collections Are Vital
How to Decline the Account
Membership Project "P-U-S-H"
The Credit Clinic

September 1959

The only publication serving the entire field of consumer credit

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This Is Your Plan

ANOTHER FORWARD step was taken by your Association on June 23, 1959 when authorization was received from your Board of Directors to sponsor a Group Insurance plan for members of the National Retail Credit Association which is to be underwritten by the **John Hancock Mutual Life Insurance Company**.

In the light of today's economy, where dollars have to do so many things, we are certain you will appreciate the opportunity to buy additional life insurance at exceedingly low group rates. If you are working at least 30 hours a week you will be eligible to join this plan *regardless of age or medical history*.

Below is the schedule of insurance and quarterly premium.

<i>By Age</i>	<i>Amount of Insurance</i>	<i>Quarterly Premium</i>
Under 30	\$5,000.00	\$ 4.50
30-34	\$5,000.00	\$ 5.40
35-39	\$5,000.00	\$ 6.90
40-44	\$5,000.00	\$ 9.15
45-49	\$5,000.00	\$12.75
50-54	\$5,000.00	\$18.15
55-59	\$5,000.00	\$26.55
60-64	\$5,000.00	\$39.15
65-69	\$2,500.00	\$29.40
70 and over	\$1,000.00	\$22.50

Changes in premium and amounts of insurance because of change in age will take place coincident with or on the quarterly billing date next following your birthday.

The proceeds will be payable to the beneficiary you name in the event of your death, *from any cause whatsoever*. You will be able to change the beneficiary designation at any time you desire. If you become totally and permanently disabled prior to reaching 60, future *premium payments will be waived* and your beneficiary will receive the proceeds if you should die during the continuation of such permanent and total disability.

You will receive an application card and booklet in the mail shortly. Please watch for it. The booklet will give you further details of the plan. We urge all of our members to study it, complete the application and return it to us as quickly as possible.

The plan will go into effect as soon as we have the minimum number of applicants required.

Meet Your New National Officers

Elected at the 45th Annual Conference of the N.R.C.A., Dallas, Texas, June 21-25, 1959



David K. Blair

DAVID K. BLAIR, President, was born in Alameda, California, and has lived in San Francisco since 1946 when he accepted the position of credit manager for H. Liebes & Company. He was president of the San Francisco Associated Retail Credit Men in 1951. He was president of District 11 of the N.R.C.A., and has been chairman of the Educational Committee since 1952. He served as general chairman of our Annual Conference in San Francisco in 1954. For 29 years he has been a member of the Boy Scouts, serving as Scoutmaster, District Commissioner and is now Commodore for the Sea Scouts in the San Francisco area. He was recently awarded, by the Boy Scouts of America, the Silver Beaver Award, the highest honor given to a volunteer. He is trustee of the First Congregational Church of San Francisco, having served as deacon, chairman of the Board of Trustees and moderator. While in Vallejo he was active in the Kiwanis Club. In 1952-54 he was president of the Monterey Heights Homes Association and has been secretary for the past five years. At present he is a member of the operating committee of the Credit Bureau of San Francisco.

Mr. and Mrs. Blair live at 1230 Monterey Blvd., San Francisco, Calif. They have one married daughter and two sons, one married.



L. A. Brumbaugh

L. A. BRUMBAUGH, Second Vice President, was born near Hebron, Neb. In 1916 he graduated from Cotner College with an A.B. degree and in 1916-18 did graduate work in the Universities of Colorado and Minnesota. In 1922 he graduated from Yale with a B.D. degree cum laude. His college and university work prepared him

for the ministry to which he was ordained in 1916. He served his church as pastor in Omaha and Fairbury, Neb., from 1922-29, and in Salina, Kan., from 1929-1938 when, because of health reasons, he left the ministry. He moved to Arizona and received a position as loan officer in the Instalment Loan Department of the Valley National Bank, and was successively made assistant manager, assistant cashier, assistant vice president and manager, and vice president. For many years he has been an officer of the local credit bureau and has served as president of the Phoenix Lender's Exchange. He is a 33rd degree Scottish Rite Mason; past president of the Hiram Club; and a member of the Phoenix Executives Club. He is a member of the Phoenix Christian Church where he served as teacher, elder and chairman of the board.

Mr. and Mrs. Brumbaugh live at 1816 North 11th Ave., Phoenix, Arizona. They have one married daughter. His hobbies are community service, reading and writing, and working on his lawn.



Earle A. Nirmaier

EARLE A. NIRMAIER, First Vice President, was born in Newark, New Jersey. He was educated in Irvington, N. J., and has lived in Maplewood, N. J. for the past 29 years. He has been connected with retail work all his life and for 19 years has been with W. W. Wilderotter and Co., one of New Jersey's largest furniture and appliance stores, as credit manager and later general budget director. In 1947-1948 and again in 1956-1957 he was president of the Retail Credit Association of New Jersey and served as director for several years. He is also a director of the Garden State Credit Bureau, Clifton, N. J.; president of District Two of the National Retail Credit Association and has been a director at large on the Board of Directors of the National Association. He is a member of the Veslage Lodge 255, F. & A. M., the Valley of Newark, Scottish Rite, Shriner, Salaam Temple, Newark, N. J., and attends Kilburn Memorial Presbyterian Church in Newark of which he has been a member for the past 35 years. He has been a trustee in the church for the past 11 years. He was recently cited for his work as an Auxiliary Fireman.

He is married and they have two children, a son, Earle A., Jr., and a daughter, Mrs. Arnold W. Spelker. Mr. Nirmaier enjoys all sports. He is an enthusiastic bowler, participating in several leagues.



Carl A. Kilgas

CARL A. KILGAS, Third Vice President, was born in Wisconsin. In 1928 he received his Bachelor's degree in business administration from the University of Washington. He has been in credit work over 30 years and became associated with the General Petroleum Corporation in Seattle. He was transferred to Portland

in 1940 and has been Northwest Division Credit Manager since 1944. He was president of the Credit Association of Portland in 1957-1958 and has been a member of the board of directors since 1945. In 1958 he was general conference chairman for District 10 and president of the district in 1958-1959. He has served as a director of the district for a number of years and is particularly active in credit educational work. He is a member of the Multnomah Athletic Club and is the proud possessor of an Owens Cruiser. He is a Junior Navigator, highest rank obtainable, in the Portland Chapter, U. S. Power Squadrons. He is a member of the Collectors Club of New York and a philatelist specializing in rare early postage stamps.

Mr. Kilgas resides in Portland with his wife Frances. They have one daughter Nancy who lives in Hollywood, California. She is an actress and a ballerina, appearing in many movies, television shows and commercials. She recently appeared as one of the soloists in the Ballet Russe performance in New York.

The CREDIT WORLD

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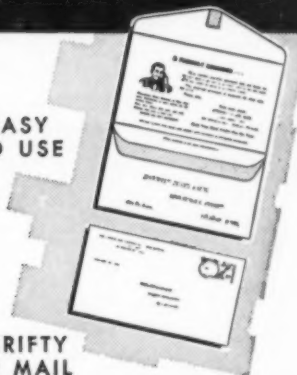
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Waycross, Georgia

LISTON ELKINS

Executive Vice President, Okefenokee Association, Waycross, Georgia



GATEWAY to the fabulous Okefenokee Swamp, where the Suwannee River rises, Waycross is one of the most southerly cities of Georgia, lying just above the Florida line in a semi-tropical atmosphere that has contributed much toward making Waycross one of the outstanding tourist centers of the South.

As the principal point of entry to the Okefenokee, and as a focal point for highways and railroad lines traversing the South Georgia area and entering Florida, Waycross is a familiar name to hundreds of thousands of travelers who enjoy its charm and hospitality annually.

Its growth and progress stem from a diversity of natural assets that include a profitable agriculture, expanding industry, and scenic charm, all of which are geared to rich endowments of nature. Its agriculture is centered about vast forests of pine, its industry is founded largely

on the lush production of its fields and forests, and its tourist business revolves around the mysterious and appealing Okefenokee—"Land of Trembling Earth." It also has a rich trade area, its commercial importance being enhanced by its strategic location on radiating highways.

Waycross civic leaders, and industrialists who have located in recent years within its corporate limits and in its surrounding area, believe Waycross is sound economically because of its diversity of interests and its varied sources of basic income.

Acquisition of the 700-square mile Okefenokee Swamp by the United States Fish and Wildlife Service in 1937, as an inviolate wildlife refuge, and the development of Okefenokee Swamp Park in 1946, as one of the major tourist attractions of the country, have thrown the spotlight on Waycross in a most dramatic way.

The Okefenokee National Wildlife Refuge has as its objective the preservation and perpetuation of the rich flora and fauna of the wet wilderness area, and is contributing much to the rehabilitation of many forms of wildlife that were becoming rare because of the inroads of civilization. Okefenokee Swamp Park, developed as a community project by the people of Waycross and with 100 per cent local funds, is designed to make the incomparable "Land of Trembling Earth" accessible to the general public, so that they may enjoy the weird beauty and the strange atmosphere of Okefenokee.

It was the Indians who gave Okefenokee its name. It means quaking or trembling earth, and refers to the vast areas of floating vegetation on which visitors may walk, producing the eerie sensation of treading on sponge rubber, or an innerspring mattress. Growing on these forma-



Aerial view, Waycross, Georgia, bustling with business.

tions of floating land matter are bushes and trees which tremble when the area is disturbed by foreign weight.

This unbelievable realm of mystery and charm—unconquered and to some extent unexplored—is as fantastic as a page from Arabian Nights, but as real as nature itself. The moss-festooned cypress wonderland, scientists and nature lovers agree, is not duplicated on earth.

Inaccessible for centuries, except for the Indians who made their home in the unparalleled hunting and fishing grounds before they were driven out by state troops, and trappers and hunters whose exploits are still heralded as incredible, the fresh water Okefenokee has long been an outdoor laboratory for naturalists.

The richness of its flora and fauna have provided source material for countless books, scientific papers and reports; its mirror lakes and matchless "prairies" have inspired countless contributions by poets, novelists, feature writers, photographers, lecturers and artists.

Motion Pictures Produced

A number of motion pictures have been produced in Okefenokee, featuring some of the finest stars from Hollywood. They include "Swamp Water," "Land of the Trembling Earth," "Black Fury," "Lure of the Wilderness," "The Living Swamp," "Okefenokee Interlude," and others. Warner Brothers, 20th Century-Fox and other major producers have sent their best talent to Waycross and the Okefenokee to capture the spirit of the strange swampland.

Perhaps the best known novel of the Okefenokee country was "Swamp Water," by the late Vereen Bell, which appeared originally in the *Saturday Evening Post*, *Collier's*, *Life*, *Holiday*, *The Reader's Digest*, many of the outdoor magazines and countless other periodicals have featured the "Land of Trembling Earth." A number of television and radio productions also have used Okefenokee as their locale.

History provides much of the romantic background material for the Okefenokee story. DeSoto refers to the Great Swamp; William Bartram told strange stories of the watery wilderness in his famous "Travels"; Maurice and Will Henry Thompson wrote stories of the unique natural wonder spot after their visit in 1886; and Georgia history is replete with references to the vast muckland in southern Georgia.

Legends and "tall stories" also have their place in the Okefenokee story, centering around pioneer

swamp characters who make the big swamp their home.

The wildlife of the area includes a heavy population of alligators, American black bear, bobcats, otters, and a wide variety of furry animals; a gorgeous array of large aquatic birds, including the Sandhill crane, great blue heron, little blue heron, American egret, snowy egret, wood ibis, white ibis, green heron, night heron, Anhinga, and many species of ducks; a number of the birds of prey, including the bald eagle, the golden eagle, osprey, and numerous members of the hawk and owl family. Fish abound, including the black bass, pickerel, warmouth perch, bream, catfish, bowfin and numerous other species. Frogs, toads, turtles and various amphibians are found in abundance. Small migratory birds also are a source of intense interest to bird lovers, with particular emphasis on the prothonotary warbler, the parula warbler and many others. Many visitors come to Okefenokee to see the pileated woodpecker, and a few express the hope of seeing an ivory-bill woodpecker, now believed extinct.

The lush growth of cypress, black gum, sweet gum, red bay, white bay, pine, myrtle, hollies and other trees make up the swamp forests, and the lower story of ti-ti, hoorah, viburnum, and many other shrubs and smaller plants offer a strong appeal to flower and plant lovers. Dense fields of fern, reeds, rushes and water growth are spread throughout the swamp. Among the most colorful of the aquatics are water lilies, water iris, water arum, pitcher plants, golden club, pickerel weed and a number of varieties of small orchids.

Spanish Moss

The ever-present Spanish moss lends a somber atmosphere to the entire swamp. The Okefenokee is made up largely of water or wet area—the open water lakes, the connecting "runs" or boat trails, the heavy bays or forested areas that stand in water, and the "prairies" or marshes. There are numerous islands and hammocks, some of the islands extending four and five miles in length. The most formidable areas, so far as human penetration is concerned, are the dense jungles.

This unique, pristine swampland provides the source waters of the romantic Suwannee River, immortalized by Stephen Collins Foster in his world-famous folksong, "Old Folks at Home." The Suwannee provides the major draining from Okefenokee, flowing from the southwest corner of the swamp, crossing the

Georgia-Florida line and traversing north Florida, flowing into the Gulf of Mexico in the vicinity of Cedar Keys.

The St. Marys River, which flows into the Atlantic ocean at Cumberland Sound, on the Georgia-Florida line, drains a small area of the Okefenokee from the southeast.

Actually, the term "swamp" is a misnomer, since a true swamp serves as a stagnant drain for its surrounding area. Okefenokee is higher in elevation than most of its perimeter area, and water flows "out" of the swamp, not "into" it. The source of its water supply is rainfall and underground seepage.

It is this beautiful and mysterious "swamp that isn't a swamp" that many thousands of people are coming to Waycross annually to enjoy. The creation of Okefenokee Swamp Park, a non-profit venture by the people of Waycross, has served to lift the curtain that has shrouded Okefenokee for many centuries.

Modern Paved Road

A modern paved road has been constructed to Cowhouse Island, this entrance road turning off U. S. Highway No. 1 eight miles south of Waycross. The park is making it possible for more than 100,000 persons each year to enjoy the fascinating natural wonderland, offering boat tours into the deep recesses of the swamp, and presenting a representative collection of swamp animals that are seen in their natural habitat. Fishing is permitted with licensed guides, but hunting and trapping are strictly prohibited.

Okefenokee has been turned over to its first inhabitants, the wild creatures, with every precaution being taken for their protection, and yet visitors are permitted to enter the swamp to see real conservation in action, and to enjoy the unforgettable experience of an Okefenokee safari.

The park is operated on a non-profit lease, by Okefenokee Association, Inc., observing the same conservation rules and regulations that prevail on the vast Refuge.

The marvelous wonders are thus placed in review for the enjoyment of the public. The hitherto impenetrable Land of Trembling Earth has been made accessible to visitors, and a new panorama of scenic beauty is unfolded for those who delight in Nature's master creation.

Development of Okefenokee Swamp Park is an example of the community spirit and the progressive attitude of Waycross. The park is truly a community venture, being

the product of Waycross inspiration as well as local capital. However, the Swamp Park is but one of many community enterprises that has made Waycross one of the nation's finest "home towns."

The Waycross and Ware County Chamber of Commerce is a thriving organization. Under its sponsorship, in cooperation with alert city and county officials, an industrial development corporation is showing progress in the establishment of new industry.

The largest industrial payroll is that of the Atlantic Coast Line Railroad which operates its major shop plant in Waycross, and which has six branch lines converging here. With rail lines radiating in six directions, and with five major highways coming into Waycross, the city has excellent transportation facilities. One airline and a number of bus and truck lines operate out of, and through, Waycross.

Transportation is a key to Waycross progress, the name having been adopted by pioneer settlers many years ago because it was a "Crossing of the Ways," first for

stage coach lines and post roads, and later for rail lines and modern highways.

Other large industries include one of the largest cigar manufacturing plants in the world, one of the largest pecan processing plants in the world, one of the most modern naval stores processing plants in the industry, a plant for the manufacture of drier felts for the paper mill industry and many smaller installations that manufacture and process beekeeper supplies and honey, shoes, furniture, citrus crates and boxes, cigar boxes and other paper containers, mobile homes, oxygen gas, lumber, mattresses, burial vaults and concrete products, store fixtures and millwork, chenille products, tools and structural steel work.

Diversified Industries

Industry is closely allied with agriculture, with plants producing and processing baby chicks, honey, meats, raw pine gum, pecans, and various forest products.

Waycross has a well-established flue-cured tobacco market, a modern livestock auction market and excep-

tional markets for a wide variety of farm products as well as forest products.

The principal source of farm income is from forest products, tobacco and livestock.

Waycross is a county seat, being the largest city in Ware County. It is a comparatively young town, being created in 1872 and incorporated in 1874. It has a city commission-manager form of government, and is attentive to recreation, public health, cultural achievement, and beautification. It offers a city auditorium, a modern stadium, a new public library, a new recreation center with full-time recreation directors, attractive parks, two hospitals that are nationally accredited, a regional center of the Georgia State Health Department and a branch of the State Health Laboratory, an off-campus center of the University of Georgia, modern schools, progressive banking institutions, churches of practically all faiths and denominations, and modern stores.

Three-Man Commission

The Ware County government, operated by a three-man commission, is keynoted by progress. A new million and a half dollar court house and jail has just been constructed.

Hotel and motel facilities are modern and adequate to care for the large influx of visitors throughout the entire year.

Cultural influence is dominant, with emphasis on art, gardens, literature, music and homes.

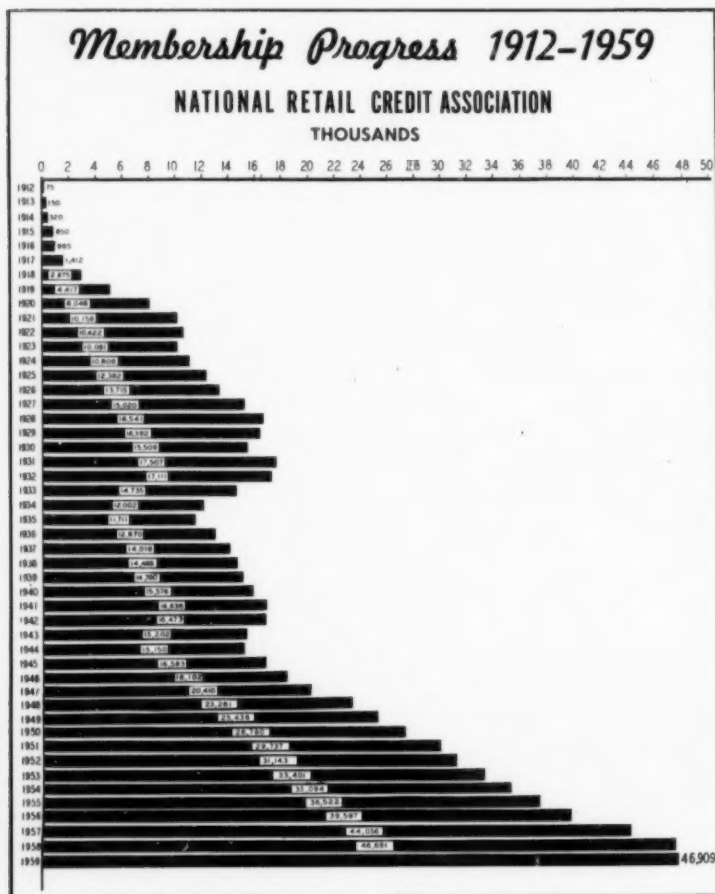
Among the distinguished native Waycrossians who have attained national stature are the late Louis B. Pendleton, author of juvenile fiction; Carolyn Miller, Pulitzer prize novelist; and Bishop Arthur J. Moore of the Methodist Church.

Local Institutions

A number of local institutions are dedicated to the welfare and happiness of Waycrossians, including a Y.M.C.A., sponsored by the Atlantic Coast Line Railroad, which has the largest membership of any Young Men's Christian Association in the South.

Waycross is the location of United States District Court, with attractive federal building, and is district headquarters for a number of federal and state agencies. Public utilities include Georgia Power Company, Atlanta Gas Light Company and Southern Bell Telephone Company.

Average mean temperature is 68 degrees. The average rainfall is 48 inches annually and population in 1959 is 25,000. ★★★





Auto Store Losses Less Than One Per Cent

G. GORDON PRINCE

Manager, Western Auto Store, Waycross, Georgia

AN ANNUAL credit loss of less than one per cent sounds hard to believe. Such a claim made to me by a merchant some years ago would have made me scoff, or ask him who he thought he was kidding. I am a hardheaded merchant and just do not swallow every fairy tale that is told me for gospel truth.

You can believe this however; and since I have been asked to tell how it is done in the store I manage, I will outline my method to you. Other men at other stores have told me that they, too, have been able to reduce their losses to a similar percentage, so this is not any formula that works just for me or just in my area. It can be made to work for any merchant in any section of the country and it will pay off handsomely!

The first part of my system is in the selection of charge customers and getting complete information on each for my files. We require that our credit application form be completely filled out, and use it together with the report from our Credit Bureau to decide whether or not to extend credit to a potential customer.

The completely filled out credit application includes such items as personal history, which shows whether the applicant moves frequently. Changes of address in rapid succession indicate some instability, unless the person has been transferred by the company he or she is working for. The salary, the number of people he must support, and other debts, when taken together, give an excellent picture of a person's ability to pay on time. If all these factors are favorable, we usually go ahead.

Sometimes we make a mistake . . . more often than I like to admit. In those cases the completely filled out credit application is valuable. Having all the data on the person at our fingertips, it is usually a matter of routine to locate any delinquent quickly, before he falls so far behind that he could not become current on our books without severe personal sacrifice. When we are able to locate him quickly, we can repossess the merchandise, if necessary, before it depreciates further. Of course, this

is the step we do not want to take and do everything to avoid that we possibly can, but sometimes becomes unavoidable. When that does happen, we try to move quickly.

Customer relations with our charge customers is probably just as important as having a complete record on each customer. No charge account prospect is as good a risk as one that has a prompt payment record with us. Accordingly, we spend a good percentage of our promotional work on people who have good records in our office. The merchandising reasoning behind this opinion is not our subject here but will be obvious to most of the readers of this publication.

The charge customers with prompt payment records get a personal letter from me when their account lack two monthly payments of being paid out. I urge them to make another purchase; pointing out what a pleasure it has been to serve them, and do my best to make them feel that my store is the place for them to come for interested, personal service. This letter has brought me a fair amount of repeat business. It is intended to break the ice and start the customer thinking about some other item he has been wanting but waiting to buy until he had the previous item paid off. My next step usually creates some action on the part of people who have been thinking this way.

With the receipt of the final payment, I mail a second personal letter to each customer. I thank them for paying the account, and repeat what a pleasure it has been to serve them and how we are ready to work with them on their next purchase. They are given to understand that we sincerely appreciate their patronage, cash or credit, and that they can expect warm treatment at our store no matter what reason brings them in. This works well, and our repeat customers are the best kind of credit business any store could have.

There are three other phases of our program that contribute to our low loss percentage. The first of these is our religious follow-up of the Credit Bureau service of supplying us with the names, address, and credit reputation of newcomers.

Just as soon as I receive their listing, I send them an original, personal letter, telling them that their credit with us has been established, and inviting them to come and shop with us. The "Welcome Newcomer" offer by our bureau we have found to be one of the best mediums of contacting all new residents to our city.

There is a lot of truth to the belief that once a person gets in the habit of shopping in a store, it is hard to break him of it. I try to get to the new residents before they have the chance to establish the habit of going somewhere else. I am no psychologist, but there is a psychological need, it seems, for people to feel they have friends in a town they just move to. I offer to be one of their friends.

Like a great many other credit stores, we have an outside collector. It is important that this man be a good will ambassador, so far as possible. He must be selected with great care. This I can make no suggestions on. A man who has the sense and ability to run a business will have the good sense to get an outside man who will not run off future customers.

The third, and final point I would like to make here is our continuing policy of stressing the importance of paying accounts on time. We mention this at the time of sale, and at as many other times as we feel tactful. By reviewing all accounts each week, we are able to keep in close touch with how each customer is doing. If something goes wrong there is no serious time lag before a personal contact is made. Most often, all that is necessary is a reminder of the importance of keeping their payments to us on time. This has resulted in other creditors having to wait for payment while I have received by payments.

I am not saying that every operation can get to the one per cent loss category, but I have by following the steps I have outlined above. Try them yourself for a reasonable period of time and see if they work. Even a small percentage gain over a period of 12 months will be ample reward for the small amount of time it will take to put this system into operation. ★★★



The Part Consumer Credit Plays in our Economy

GEORGE M. BLAZEMORE

President, First National Bank in Waycross, Waycross, Georgia

CONSUMER CREDIT plays a major role in the economy we Americans live in today. In thinking of the term "consumer credit," it might be well to define the term as it is commonly used in business circles. Generally speaking, consumer credit is used to describe the credit extended to individuals for the purpose of purchasing some item of merchandise which costs more than the average person would be able to pay for in cash. Usually, this credit is paid back over a period of time ranging from a few months, to a few years. In short, consumer credit is a mortgage on the future income of an individual in order to make possible the purchase of an item too costly for the individual to pay from his cash on hand.

As you can readily see, this type of credit makes possible a very large market for merchandise which has a relatively high purchase price and thus enables industry to effect mass production methods in the production of the more expensive items, which in turn makes possible a lower unit cost. Because of the existence of this large market and the mass production techniques, our country has been able to develop the highest standard of living for the average individual ever realized in the economic life of any country in the world.

Presently, our economy has grown to substantial proportions when compared with previous history; however, there have been leveling-off trends which reflect various economic conditions and various controls which our government, through its many agencies, has exercised in an effort to keep a balance between inflation and deflation. The future of the economy is largely contingent on the extension of sound credit which, in effect, is purchasing power

and in order to have a successful future, it is necessary that the supply of credit and the production of goods be kept within reasonable proportions; otherwise, we face the ever-threatening problem of devaluing the dollar, which in turn would prove to be detrimental.

With all this in mind, it is incumbent upon any institution extending credit to be sure that the credit it is extending is on a sound basis and not inflationary. This means that the business extending the credit should check on each application for credit to see that the individual is able to meet the payments out of his own expected income after allowing for reasonable contingencies for emergencies, etc. Any person who seeks credit beyond his means is not contributing a good influence to the future of the economy, but to the contrary, is acting as a brake on the economy.

In line with this thought, it is extremely important that the credit granter exercise good discretion and the following suggestions might be considered as good criteria for him to follow:

1. Do not let prospects for easy sales lure credit granter into over-selling customer.
2. Limit credit to legitimate credit risk.
3. Establish sound credit procedures which might include the following:
 - a. An application for credit form.
 - b. Proper appraisal of applicant's date.
 - c. Establishment of an effective collection policy.

In our bank, we try to establish the soundness of the individual credit seeker and to this end, we have set up routine procedures which include many of the points mentioned

above. We have found that an independent credit agency can be most helpful in helping us arrive at the various facts pertinent to the credit records of the credit seeker. We prefer this method rather than setting up a special department within our bank as it enables us to devote our time to the more profitable phases of banking and at the same time get accurate and reliable facts from an agency which has developed special skills and knowledge in obtaining and compiling credit information.

If proper discretion is not used in the extension of credit and individuals are allowed to over-obligate themselves without the remotest possibility of being able to repay, serious consequences can result not only to the individual but to the economy as a whole. If this policy were to be pursued consistently by large granters of credit, it would not be long before the purchasing power of the individual consumer would be considerably reduced, and in turn, the future markets for goods impaired.

Importance of Consumer Credit

One might describe the importance of consumer credit to our economy as follows:

1. Credit is essential to the operation of our type economy, which has proved superior to all other types in the world.
2. Credit has made our economy superior to others by making more goods and services available to individuals and thus creating a higher standard of living.
3. In order to sustain our economy in its present environment, it is most essential that it be made on the soundest of basis.
4. The dire consequences of not practicing sound credit, will be to disrupt the whole economy and thus create chaotic business conditions.

From our experience, we have found that our local Credit Bureau has proven to be most valuable to us in extending credit as it furnishes us accurate information on each borrower, thereby helping to reduce our losses to less than one-half of one per cent. ★★★

Credit Bureau Managers, clear your decks.

"PROJECT P-U-S-H" is on the way.

The Credit Bureau in a Small Community

MRS. HELEN DAVIS

Manager, Credit Bureau of Waycross, Waycross, Georgia

THE CREDIT BUREAU of Waycross has demonstrated that the small community will benefit from and will support credit services as well as the larger metropolitan areas and that a small-area credit bureau can render personal and business services fully comparable to those of the larger organizations. During its 23 years of existence, the Credit Bureau of Waycross has earned its place at the heart of the business life of Waycross and the surrounding areas. Some measure of the service rendered is shown by the fact that at the time the bureau was opened, businesses carrying credit accounts estimated losses at five per cent, while such "charge-offs" are now estimated at less than one-half of one per cent.

On July 1, 1936, the bureau was founded and organized in Waycross by Wayne Hinson, the present owner. Membership in the National Consumer Credit Reporting Corporation (later Associated Credit Bureaus of America, Inc.) was granted early in 1937. Since 1948, the bureau has been under the management of Mrs. Helen Davis.

From a modest beginning—marked by inadequate facilities, housing and equipment, plus a community that needed to be "sold" on the need of credit services—we have grown to a point where we are tempted to "point with pride."

Our present location occupies 1,500 square feet in the central business district of Waycross. Office space is modern, air conditioned and on the ground floor. Here are maintained 60,000 master credit cards on the paying habits of the people of Waycross and surrounding areas. These cards are kept in Remington Rand steel fireproof seven-drawer filing cabinets in 5 x 8 jackets. Our modern equipment includes electric typewriter and stapler, mimeograph duplicator, collater, addressograph equipment and postage meter.

We are fortunate in having an office staff genuinely interested in credit bureau work, and who realize its importance to their community. These staff members attend district and national conferences as well as employee training schools, institutes and seminars on every phase of credit and collection procedure. We are proud of the fact that our six

employees have service totalling 35 years.

The Credit Bureau of Waycross offers a complete reporting service, including all types of consumer credit reports, personnel and firm reports. We offer five types of pre-collection services and operate a collection department with a well-trained staff. We also provide Medical Dental-Hospital Service Bureau, Bulletin Service and ACBoFA Welcome Newcomer Service.

An average of 1,500 credit reports a month are made by two staff members handling this service. Instantaneous service is given to members desiring in-file information. This type report takes less than two minutes, and is made possible by giving condensed reports (which most members prefer) and by locating telephones and key box at the files. Local written reports are processed, as a rule, within 24 hours.

A weekly bulletin is compiled and distributed to all members. This bulletin contains courthouse records, changes of address, marriage licenses issued, suits and judgments. More than 35,000 items of public records, repossessions and collection items are filed yearly in the master files. A liquor file is also maintained for automobile dealers and motor finance companies. Here are recorded all liquor violations since 1950.

Affiliation with Associated Credit Bureaus of America is invaluable in enabling us to render a full service. Through this organization we may secure credit reports from over 2,000 credit bureaus in the United States and abroad. Some 800 of these bureaus participate in the ACBoFA "Automatic Transfer Plan," whereby the credit record of a person moving to a new community is automatically transferred to his new credit bureau. We have found this service to fill a vital need in our area.

Membership in ACBoFA Collection Service Division, and Medical Credits Division, enables us to forward accounts where the debtor has "skipped" or moved.

Too much stress cannot be placed on the importance of close cooperation between bureau and members. Office personnel are especially trained to develop a friendly and competent manner in handling personal or telephone contacts with members.

Full advantage is taken of educational programs available for retailers of the community. Such outstanding credit men as Sterling S. Speake (who has conducted two outstanding classes in Waycross), Leonard Berry and S. H. Womack are available to any community by invitation of the local credit bureau.

Benefits of such cooperation are many. We have found our members to be most helpful in the matter of reporting information. Most of them give trade information immediately, facilitating fast service on our part. There is no source of information that is closed to us in our city and area. Seventy-five per cent of our members automatically report derogatory information such as charge-offs, repossessions, slow and closed accounts.

Of our 169 members, a majority belong to the National Retail Credit Association. For the past few years, all new subscribers have automatically been given such membership.

The role of the credit bureau in the business life of any community is an expanding one. Where it was once merely a means of determining isolated bad credit risks, it is now an important tool of sales and promotion. Where it once furnished fragmentary supplementary credit information, it is now a key source of business information, invaluable in determining policies of expansion or development.

Collection-wise, the professional account, medical, dentist and hospitals, will almost invariably compare unfavorably with the commercial business account. Hence the need for credit bureau services is particularly great in the professional fields. We are constantly working toward the improvement of this condition through a program designed (1) to acquaint the public with the necessity of good payment practices in all accounts and (2) to assist the professional man in following sound credit and collection procedures.

We have encountered many headaches and heartaches in building our bureau and in trying each day to do a better job of serving our community. There have also been rewards—our greatest was being awarded the ACBoFA International Achievement Award, July, 1959 in Los Angeles. ★★★



Women in Credit

DORIS PARKER

*Manager, Sears Catalog Office, Waycross, Georgia
President, Dixie Council of Credit Women*

THE CREDIT Women's Breakfast Clubs of North America are composed of women who are dedicated to their profession. They cooperate universally for the welfare of credit which is one of the precepts of our creed.

The success of any association such as ours results from the combined efforts of all members, officers and directors. The Associated Credit Bureaus of America, retail credit granters and the National Retail Credit Association work for the same interest, credit. The combined aims of these organizations are to further the education of the membership along credit lines, to promote good fellowship and social enjoyment and to foster better relations between those working in the field of credit extension and the field of credit investigation.

Each business, credit bureau and profession serves the public. Are the people who represent you winning friends for your store, your office or your service? Or, are you losing valued customers because the girls who work for you are not well trained or well informed as they should be? In this machine age would you be interested in a machine that could be priceless to you? The cost is small but can be the most

important machine in your business. There are now over 14,000 of these machines in every State of the Union and Canada.

The machine is the Credit Women's Breakfast Clubs of North America. Why are there so many members of this great organization? Because it helps them to do a better job, be more efficient, handle customers better, make more sales and work more closely with credit bureau or collection offices. The community that has a Breakfast Club is where you will find members who have learned to win friends for their employers. The boss who shows a little attention in the way of encouragement for the girls in his credit department to become a member and attend meetings is the winner. They are impressed when their employer is interested in helping them improve themselves, and will get something out of the Breakfast Club for themselves and the firm they represent.

The over-all cost is infinitesimal, which many firms pay and much less than any other machine in your office, but a real profit can be made out of this human investment. The employer gains by having better trained employees plus the employee puts forth a greater effort to

take an active part in the organization if they know their interest is shared.

The education received from attending meetings and studying the educational manual makes members acquire a better knowledge of their responsibilities and duties as credit women as they obtain up-to-date information on credit and business problems. The best topics of interest to all business and professional groups with the best available speakers, in addition, and excellent four-year home study course is available to women in credit. Poise and experience, how to get along with people, all this develops confidence in them by learning their credit jobs better. Also, there is a close bond that exists from personal contact with girls in credit departments and those of the Credit Bureau. They know why certain information must be given and that all information received is confidential.

Throughout our history we have had a closely affiliated group of business women, full of enthusiasm for the opportunities for individual training in the credit field. This keen interest is shown by attendance at regular meetings, state, district and International, all working and learning together to do a better job.

Supplies Available from National Office

Age Analysis Blanks	\$11.00	Per 1,000
Credit Application Blanks	10.00	
Good Things of Life on Credit (Educational Booklet)	20.00	
Stickers and Inserts	4.00	
Soldiers' and Sailors' Civil Relief Act (Booklet) . . . . .	.75 each	
CREDIT WORLD Binders	3.50 each	
N.R.C.A. Electros . . . . .	.75 each	
N.R.C.A. Membership Signs	1.00 each	
Pay Promptly Advertising Campaign (18 mats)	3.00 each	

* * * * *

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 30, MISSOURI

Credit Bureau Services in the Hardware Business

E. L. BOWEN, JR.

Bowen Pure Oil Station, Waycross, Georgia



MODERN MERCHANDISING methods have now become an accepted part of the hardware industry. Quick and accurate credit information is essential. Not too many years ago, hardware stores extended credit to John Smith just because he was John Smith, but this does not work today. John Smith now owes a payment here and several more there, and his name does not specify his paying habits.

Many items of hardware are not in the category wherein title can be retained by the seller, and even if they were, the merchandise would probably be worthless from a standpoint of resale.

We find that the services of our local Credit Bureau play an important part in our everyday business. They save us money, time, effort and worry. Bad credit risks are eliminated almost entirely. Often a potential credit customer will refuse to fill out a bureau information

form, thereby identifying himself immediately as a bad risk.

In our opinion, any business firm handling credit sales would find the Credit Bureau an invaluable asset. We are always pleased with the prompt, efficient service our local bureau offers. When a customer requests a charge account, it is a simple procedure to take the application on a bureau form, phone it in, and feel confident that we will receive a complete report on the applicant's paying habits, character, etc.—in most cases, by automatic revision.

Quite often the Credit Bureau has an up-to-date file on the applicant, making it possible to find out, without any delay, whether he is a good credit risk. Few people realize the time they save by using this service. To compile complete and accurate reports on new applicants, using our own office personnel, would almost make it necessary to hire a full-time employee.

In addition to the other services of our Credit Bureau, we receive a weekly report on all court house records, including chattel mortgages, deeds, etc., along with worthwhile articles and suggestions of benefit to all firms handling credit. This is particularly valuable to us since we also handle building materials. For example, we learn of prospective building customers from the sale of a lot, the granting of a loan, etc.

Certainly of great importance to us is the reasonable rate at which all these and other Credit Bureau services are offered. This makes it possible for us to use all the facilities offered, and actually to save money by so doing.

Although we do not as yet have a full-scale instalment selling "budget" program, we plan to do so in the near future. Correct credit procedures will then become even more important to us in the profitable operation of our hardware business.

Credit Bureau Services for a Service Station

CHARLES N. MAYO

Partner, Mayo Hardware Company, Waycross, Georgia



SINCE 1936, I have been a service station operator, and for the past 12 years a member of the Credit Bureau of Waycross.

Initially, I was a "pocket operator"—my money (if any—usually none) in my pocket; my records in my head (if any); my credit or charges in a cigar box (from which neither I nor anyone else could tell who owed whom how much!). Sadly, I still have some of those charges, and will keep them. Although they were costly, they are very dear to me. Through them I got an education that I could get nowhere else.

After joining the Credit Bureau I began processing my applications for credit—and telling the applicant that this would be done. My accounts receivable dropped and my bank balance began to grow. (At least there was *some* bank balance.) By following this method I have

been able to keep credit losses to less than one-fourth of one per cent of sales.

Our business, like all others, must have a means of gaining new customers, and so we have a constant advertising program. In this field, our Credit Bureau helps in many ways, particularly with their ACBoFA "Welcome newcomer" program.

Another phase of their work which has been most helpful is their collection service bureau. They have been most successful in collecting our past due accounts and in locating "skip" debtors.

A successful service station operator must wear many hats. He must be his own Sales Manager, Credit Manager, Collection Man, Purchasing Agent, Janitor, Trainer, Stock Clerk, Merchandiser, Public Relations Man, Advertising Man and Accountant. I would say that the most

important of these are (1) Credit Manager, (2) Accountant, (3) Purchasing Agent and (4) Sales Manager—in that order.

Here is a rule which, if followed by service station operators, would result in fewer business failures and dealer turnovers: for each dollar extended in credit, an operator should have two dollars in cash—one to pay for the dollar extended in credit, and one to put the stock back on the shelves or in the tanks.

According to extensive surveys, a man can make more money per dollar invested in the service station business than he can in any other. If more of us would only take the time to get the facts and credit information which are at our fingertips—through our local Credit Bureau—we would all have healthy and growing businesses. ★★★



Collections Are To a **VITAL**



Community Service

R. J. WEINZETTEL

Administrator, Memorial Hospital, Waycross, Georgia

FROM A POINT of operation the analogy that a hospital is like a wheel is well taken. The hospital, generally considered self-sufficient other than from the financial viewpoint, has all its gears functioning to provide service to the patient, the hub of the wheel. The patient is the center and the spokes of the wheel may be depicted as those services which are essential for the well being of the patient.

The many services of the hospital which form the spokes of the wheel as nursing service, x-ray, laboratory, dietary, pharmacy, laundry, house-keeping, and the business office could not operate without an adequate physical plant, supplies, and qualified personnel and physicians. These essentials can be considered the outer rim of the wheel and are funneled through the various service departments in conformance with the needs of the patient at the hub.

We might consider the outer metal rim of the wheel as the money needed for operation and the upturned cobblestones are considered as debtors which are impeding the progress of the hospital along the road to efficient operation. Too many upturned cobblestones will mean destruction to the wheel. The breakdown of the wheel as a result of increased accounts receivables will have its effect on patient care as economy measures may be taken in an effort to balance income and expense. If patient care is to be maintained at a high level, then the resulting deficit operation must be counteracted by increasing the rates or it will be necessary to secure subsidies from the city or county to keep the doors of the hospital open.

Basic collection policies must be developed and approved by the governing board of the hospital to meet many exigencies that arise in the collection of accounts when a service rather than a tangible product is offered to the public. In other words, administration must be constantly aware of the status of the patient's account from the time of admission to time of collection. Adequate controls and easy to understand reports are required to keep track of each patient's account on

a day to day basis. Complicated systems require highly skilled employees, greater length of training time, and makes the total collection effort more expensive. A simple follow-up system, using easy to prepare visual guides, will not add appreciably to the expense of the collection system and will bring more than adequate results.

The first control is a daily report of each patient which explains the financial disposition of the case at time of admission and at time of discharge. Most of the patients have either made the advance deposit requested, which is an indication of their willingness to meet their obligation, or have sufficient insurance coverage to assure payment to the hospital. Problem cases would be those cases where advanced deposits were not made or where insurance does not adequately cover the patient's account. An immediate follow-up is made by office personnel when a patient, usually an emergency admission, has made no arrangements toward payment.

Insurance Coverage

Today insurance is well accepted and usually from 50 to 70 per cent of all admissions to hospitals are covered by insurance. To keep accounts receivables at a low figure the control of insurance accounts is mandatory. An insurance check sheet prepared on a large ledger type columnar billing sheet which lists each patient admitted under a hospital insurance plan gives good visual control. Each step in the insurance processing toward collection is chronologically noted on this form. Any breakdown when a date of action has been omitted for a specific account can be picked up by routine examination of the columnar billing sheet and directed to a person of authority for follow-up.

Doctors play a key roll in collection of accounts for hospitals. Their prompt completion of insurance forms assures a quick return on claims, thus making available money for the purchase of supplies for newly admitted patients. The doctor usually has a knowledge of his patient's financial condition and can advise

the patient as to the probable cost of hospitalization so that arrangements can be made prior to admission to secure necessary funds for the payment of the account.

Self-pay accounts, those accounts where there is no insurance coverage, must also be followed closely as the impact of hospitalization expense on the individual has not always been budgeted within the family's income. It is necessary that the hospital be sympathetic, yet firm in its collection efforts as it is operating on a break-even basis and income is essential toward maintaining the high standards required and expected by the American public. Failure to systematically collect accounts will ultimately result in higher rates, or if a governmental institution—higher taxes.

The total accounts receivable picture within the hospital can best be reviewed if the accounts are aged monthly. The ageing can be broken down into columns of 30, 60, and 90 days and over with the accounts being assigned to the appropriate column in conformance with the date of the last payment received. Only in very unusual circumstances should an account be carried on the books for a longer period of time than 90 days. An explanation of a 90 day and older account should be made for management's review and action. The comparison of the ageing report for the current month with the previous months will tell administration the exact status of accounts receivable and the success of the hospital's collection effort. Accounts which have become inactive should be turned over to a collection agency at the earliest possible date.

We have found at Memorial Hospital that the Credit Bureau serves the hospital not only as a collection agency, but as a public relations agent. Usually the hospital administrator is a stranger to the community when he is appointed to this position. The approach to the collection problem and the subsequent development of collection policies cannot be properly evaluated by a newcomer to the community. The

(Turn to "Community Service," page 25.)

David K. Blair, 1959 Scott Award Winner

Fourth winner of award presented at Dallas Conference

DAVID K. BLAIR, Credit Sales Manager H. Liebes & Company, San Francisco, California, and President, National Retail Credit Association, was named winner of the \$500.00 Scott Award at the 45th Annual International Consumer Credit Conference, Dallas, Texas, June 23, 1959. Dean Ashby, Credit Sales Manager, The Fair, Fort Worth, Texas, and a past president of the N.R.C.A. made the presentation. Following is a transcript of his remarks.

THIS IS a most enjoyable occasion because of the fact that I had the good fortune of receiving the Scott Award at the Los Angeles Convention in 1958. Being the recipient, and receiving it directly from George A. Scott, the donor of the Award made it one of the most important occasions in my credit career.

Everyone in the world is wanting the same thing; success—success in one form or another. Success is the pearl of great price. Thousands of books have been written on the subject and they will continue to be written until the end of time because people never tire of success stories. They want true examples of how others achieved success so they can try to make personal applications. Success can be defined in many ways. But this simple definition seems to aptly cover it. Success means doing your best in every worthwhile undertaking or assignment.

Success consists not so much in sitting up nights as in being awake in the daytime. In every successful endeavor, the highest prizes go to the self-starting creative-thinking leaders. Success has a way of eventually rewarding the efforts of those who possess initiative and who put their ideas into action.

The successful leader is the self-starter. He not only does his share of the work but is successful in influencing others to cooperate and give their assistance to attain the desired goals. He does it by direction and example. Every leader who is worthy of his office, or mindful of his trust, is a self-starter. He has initiative and he has leadership. When we use the word leadership it suggests something desirable in the eyes of all people. It suggests position, prestige, influence, and things of a comparable category. There are those who tell us that perhaps it is more difficult to remain in the lead, once you have taken the top position, than it was to reach it in the first place. When you are the leader, many take a shot at you. When you are the leader, you are often the target for all those working with you. When you are at the top, many are envious of your position. But that is a part of the price one pays for leadership.

Did you ever stop to think how important leaders are? There are leaders in our homes, schools, churches, politics, government, credit business, the professions, and in associations, large and small. Actually, the "leaders" list is limitless. Leaders are found in all walks of life, in ample numbers and in strength. Some of our greatest thinkers say that leadership is going to be more important tomorrow.

The Scott Award is a cash prize of \$500.00 given by George A. Scott, President and General Manager, Walker-Scott Company, San Deigo, California, each year for ten years beginning with the year 1956. The Award is made to the retail credit executive who makes the most outstanding contribution to the field of retail credit administration. Original ideas and procedures, together with evidence of adoption and results, count heavily in the determination of the Award. Mr. Scott's objective in making this Award is to impress upon all retail credit executives the fact that they have an important place in our total economy and to bring to light outstanding work being done as a stimulant and inspiration to others.

Dave Blair, who has been chosen this year to receive this honor, is a man who has devoted much time for the benefit of others. On April 15, 1959, the Boy Scouts of America gave him the Silver Beaver Award, the highest honor given to a volunteer for distinguished service. He has served in scouting for nearly 25 years, beginning as a scout and later as a leader. He has, without interruption, throughout his adult life, served in many capacities in the communities in which he has lived. He is the father of two scout sons. His time has been given to troop committees, leadership training committees and commissioner staffs, as well as conducting a number of training courses.

He has served as President of the Property Owners Association for his community and on the Board of the First Congregational Church of San Francisco. He has been recognized in his local, district and national credit association responsibilities as one who will always accept the task assigned and deliver the goods. He has served the N.R.C.A. as Third Vice-President in 1956, Second Vice-President in 1957, First Vice-President in 1958 and was elected President at this Conference. He is an enthusiastic speaker in constant demand. His experience in the retail credit field covers a period of 22 years, the past 13 as Credit Sales Manager of H. Liebes & Company, San Francisco, California.



Dean Ashby, left, presents David K. Blair with the 1959 Scott Award.

How to Accept or Decline the Account

MRS. JO HUBBARD

Credit Sales Manager, Sterchi Bros. Stores, Chattanooga, Tennessee

CREDIT is a great thing. If it is not abused you can tour the world now on the instalment plan but be sure you do not fall down on your payments in the middle of the Atlantic.

In order to know whether to accept or decline an account you must first have a complete credit application. Be thorough in the first interview so it will not be necessary to call the customer in for the second time, which may seem to the applicant to add insult to injury if the account is later declined. In addition to the usual information be sure and get the name and address of their nearest living relative. This information can be very beneficial in case they decide to go West without your permission or knowledge.

If the information in the credit analysis shows that the prospective customer is able and willing to pay promptly, the applicant is a first-class credit risk. If, in addition, he can be made to pay in case it should become necessary you have no risk. But such cases where the credit analysis points conclusively toward acceptance cover only a small percentage of the applicants.

The proportion of the cases where rejection is clearly indicated is also small. In addition to these two small classes of applicants there are two large groups. In the case of the first group all the information coincides pretty well to indicate that, although the person is not what we might call an ideal or a perfect risk, he is alright and little risk is involved.

But in the case of the other large group of applicants, the information seems to be contradictory or to balance between whether or not to accept or reject the account. We cannot generally take the attitude that all cases of this kind where there is any doubt of the risk should

be rejected, for too many applicants are included in this category where the information apparently is fifty-fifty or equally for and against. Take, for example, the question of weighing the matter presented by certain stores reporting the person to be prompt pay and others reporting him to be slow or undesirable.

Now, there are differences as to what is regarded as prompt or slow by different lines and by different firms in the same line. The report of one store may often mean much more than the report on the applicant's pay habits by another. The practice of the better credit bureaus is to encourage the reporting of the exact method of payment. For example, in the case of monthly charge accounts—pays 30 days or pays 60-90 days, instead of reporting the customer as prompt or slow.

Reporting the person is slow, or pays in 60-90 days, in certain lines or by certain stores, may mean little since those lines or stores do not enforce prompt payment. On the other hand, if some firms report the applicant to be slow this may mean little to the credit manager of certain stores, which are very liberal, while reporting him to be alright may mean but little to the credit manager of a firm which is more strict than those making the reports. The credit manager should always consider the source of the information he receives. We have stores in Chattanooga who will sue you one week—sell you the next and rate you as agreed the next. I know that Dr. Clyde W. Phelps, author of the third issue of *Retail Credit Fundamentals*, which is the official textbook of the National Retail Credit Association, tells us we should not gamble but frankly there are times when I have and fortunately it has paid my company dividends. So often what appears to be a poor

credit risk with the proper investigation you will find, after talking to the applicant at length, reasons for this.

Usually it is found that some misfortune beyond the individual's control has been responsible for the poor record. But if you do decide, after careful analysis, to reject the application do not let anyone talk you into taking it because if you do you will be sorry. To be a valuable credit manager is to remember that our job is to help sell merchandise as well as pass on credits. After all, turnover is highly important whether it is in business or right after the alarm clock goes off in the morning. We age our merchandise just like we age our accounts and it is very discouraging to see an old chair or sofa sitting on your floor year in and year out.

Borderline Accounts

If an applicant wishes to buy on credit something Sterchi Bros. wishes to get rid of he is liable to get it if he does not watch out—that is, of course, if he is not too bad. However, I firmly believe that the credit man who does not take some borderline accounts is costing his company money—so is the credit man who has a large number of rejections. Sure you have to work harder on the borderline accounts but I told the personnel manager of Sterchi Bros. 19 years ago that I wanted to work and they surely must have taken me at my word for they have been piling it on me ever since. I have a special section right in front of each ledger and when I take a borderline account I put a red sticker up in the right hand corner of the ledger card and file it in this section. I check every day or two to see if they have paid. If they have not they hear from me. He who hesitates to do this is definitely not an income tax collector. They get their money or your hide. Speaking of income tax collectors, it is said that if a person wishes to die poor today the Internal Revenue Department is organized to help them.

Management and credit management should work closely together.

**If You Believe in Cooperation
Get a New N.R.C.A. Member Today**

To have a successful organization you must have a happy one. If you are at each other's throat one of you better leave. To prevent a situation like this it must be clearly understood by store management that if you do gamble on slow moving merchandise and should lose that losses are to be larger and that they should be considered more of a merchandise loss than a regular credit loss. Do not be a habitual gambler or it might result in the abuse of credit.

I am sometimes inclined to gamble a little on high merchandise. However, I do demand a good down payment to reduce my risk. These cases are exceptions to the rule, and are not considered to be sound or ethical as a regular practice. Should accounts be opened under these circumstances it must be understood that they are for this particular purchase only, and not regular accounts.

I am sure that most of you credit managers have found that you have to resell the customer on a less expensive charge or instalment purchase than the one he intended to make. I have to do this more often with newly married couples than anyone else. They come in the store; the bride looks stunning and the groom usually looks stunned. They get a salesman and away they go and when they reach my desk two hours later they have selected exactly the amount of merchandise it has taken me 25 years to accumulate; automatic washers, driers, TV set and sometimes even an electric ironer.

Credit Application

I take their credit application and figure their terms just like I felt sure they could pay for everything they had selected but knowing all the time they could not and that I would cut that bill one-half. After I have finished figuring terms I look up and in my best manner say "I'm almost afraid to tell you how much your monthly terms are for fear you will run me out of this office." Sometimes I will say, "I sure am glad you have to make these payments instead of me. I couldn't do it." I am laying the ground work for them to go back and reselect what they can pay for.

It works. He will look over at his bride and say, "Honey, don't you think we could get along without the washer and drier and sometime they even leave the TV set off." When they start talking like that I say, "Well it sure is refreshing to meet a young couple who are intelligent enough to know what they

Credit Sales in a Drug Store

MANY DRUGGISTS are reluctant to do more than a very small volume of credit business because doing so involves the necessity of carrying a large number of small accounts, many of which require close observation to insure collection.

In our business we have found that our charge accounts are a profitable part of our sales volume, largely due to the fact that we consult with our local Credit Bureau before opening any new account about

which we have the slightest doubt that it will be paid when due.

By closely observing the more active charge accounts and by keeping in touch with our sources of credit information we have expanded our volume of credit sales each year since we have been in business until it has become a substantial and very profitable part of our sales volume, and the percentage of bad accounts in relation to our total volume of charge sales is remarkably low.—G. A. Wheeler, Willis and Wheeler, Waycross, Georgia.

can afford." I then call a salesman and tell him these people are just getting started and they do not want to get in over their heads and for him to take them back up and help them reselect. He knows then that he better get busy and he will because he had rather have a half of loaf than none at all.

As a result I have built a reputation around Chattanooga of helping people get started. These very people whose purchases I had cut will bring their friends in and say "Miss Hubbard, you helped me get started, will you help my friends?" Be friendly; remember that people are important. After all they pay your salary and mine. It is nice to be important yourself but it is more important to be nice.

Speak the customer's language. If they want a benolia rug give them a benolia rug. If they want an oriental rug give them an oriental rug. Do not ever put yourself upon a pedestal and think for one minute the public will seek you out and trade with you—because they will not. In business occasionally you will run into a fool. It is not hard to spot one unless he hides inside of you. I learned a long time ago it was not wise to argue with a fool because the listeners did not know which was which.

Some paying habits are not due to lack of ability or willingness to pay promptly but to lack of credit education. The customer may not be intentionally slow-pay; it may be that he is just negligent or he does not realize the necessity of prompt payment.

Speaking of neglect, I opened an account with this old colored woman and she paid as agreed for a while then I noticed it was a hit or

miss proposition with her so I wrote on the ledger to let me see her the next time she came in. So they brought her to my office. I said, "Sarah, what is the matter with you, why haven't you paid on this account like you told me you would?" She said, "Miss Hubbard, I ain't got no reason, I just niggerlected it." I told her, "It better not happen again or I would not niggerlect to come out there and pick up her furniture."

Here is the procedure in accepting and declining an account. First, who should be notified if the account is approved? It is obvious the applicant himself or herself must be notified. Our customers are usually informed orally as they call every hour or two and want to know exactly what time their merchandise will be there. Personally, I think the proper way would be to write the customer a personal letter plus a welcome to the store stating clearly the terms.

There are several ways of declining an account. One of the best in my opinion is to set the down payment so high that the customer will reject it himself. Frankly, I would prefer handling this matter only through personal interview then I would have an opportunity to convert the sale to a cash sale or persuade them to use the lay-by plan.

We credit managers are sitting right on top of an investment that in some stores, runs two-and-a-half times the investment of merchandise. Let us get busy and come up with some credit promotions that will help make some money. You will probably think I am money mad. Maybe I am, but you will agree it is a good conversational piece, that is if you can hold onto it long enough to start a conversation. ★★★



"PROJECT P-U-

A Conti

...N.R.C.A.... the only profession

CONSUMER CREDIT sales executives play a vital role in America's dynamic economy. Collectively they are responsible for over \$100 billion in credit sales annually.

Short and immediate term consumer credit extended to American families represents untold happiness and better standards of living for millions of working men and women. This achievement is unequalled anywhere in the world. The credit sales executives are proud of the part they have played.

Every credit sales executive must continue to be out in front and a leader in his community and in his credit profession. National membership brings pride, prestige and "know how" to you. The National Retail Credit Association, the only professional association representing the entire field of consumer credit, invites you to join its ranks today. The future of consumer credit depends upon an informed and united membership. N.R.C.A. represents your interests.

To better your position and to build sound credit sales volume the sure way . . . join the N.R.C.A. today.

Alabama—P. D. Betancourt, First Federal Savings Loan Co., Mobile
 Alaska*
 Arizona—L. A. Brumbaugh, Valley National Bank, Phoenix
 Arkansas—Douglas Evans, Sample's, El Dorado
 California*
 Colorado—Ralph J. Perri, American Credit Co., Denver
 Connecticut*
 Delaware*
 District of Columbia—J. K. Althaus, The Credit Bureau, Inc., Washington
 Florida—C. E. Moorman, Credit Bureau of Jacksonville, Jacksonville
 Georgia—F. G. Mewborn, Credit Bureau of Atlanta, Atlanta
 Hawaii—Alvin A. Smith, Credit Bureau of Hawaii, Honolulu
 Idaho*
 Illinois*
 Indiana—E. T. Sullivan, H. P. Wasson, Inc., Indianapolis

Iowa*
 Kansas*
 Kentucky—Carson L. ville, Louisville
 Louisiana—Douglas F. andria, Alexandria
 Maine—William J. Fe land, Portland
 Maryland*
 Massachusetts—E. F. Waltham
 Michigan—Walter Gr sing, Lansing
 Minnesota*
 Mississippi—Henry G Jackson, Jackson
 Missouri*
 Montana*
 Nebraska—Earl Heirc oln
 Nevada*
 New Hampshire—Ral of Manchester, Man

"Encourage Your Credit Bure

S-H..... 62,000 By 1962"

uous Membership Campaign

association serving the entire field of consumer credit

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DAVID K. BLAIR, *President*
National Retail Credit Association

DONALD H. PUFFER, *President*
Associated Credit Bureaus of America

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ACBoFA.....JOHN L. SPAFFORD, *Executive Vice President*
CWBC of NA.....GENEVA F. McQUATTERS, *Executive Manager*
C.B.R., Inc.....CHARLES J. MARTIN, *General Manager*

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Credit Bureau Managers.....CHARLES F. SHELDON
Credit Sales Managers.....CLARENCE E. WOLFINGER

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Credit Bureau of Lan-
vers, Credit Bureau of
s, Miller & Paine, Lin-
Locke, Credit Bureau

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Trenton, Trenton
New Mexico—D. D. Boydston, Valley Gold Dairies,
Albuquerque
New York—Hugh M. Martin, The Addis Co., Syra-
cuse
North Carolina—Bill M. Lee, Pritchard Paint &
Glass Co., Charlotte
North Dakota*
Ohio—Harry Lepold, Kobacker Furniture Co., To-
ledo
Oklahoma—J. J. Boxberger, Credit Bureau of
Oklahoma City, Oklahoma City
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Credit Bureau, Philadelphia
Rhode Island*
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South Dakota—Glenn L. Jorgenson, Pierre Credit
Bureau, Pierre
Tennessee—A. B. Buckneridge, Memphis Consumer
Credit Association, Memphis
Texas—R. A. Jackson, Volk Bros., Dallas
Utah*

District Staff Commanders Lieutenant Colonels

CREDIT MANAGER	CREDIT BUREAU MANAGER
(1) ROBERT A. BYRNE Valley Bank & Trust Co. Springfield, Mass.	GEORGE B. ALLAN Cr. Bur. of Greater Springfield Springfield, Mass.
(2) LEWIS J. HEGY Camden Trust Co. Camden, N. J.	CHARLES W. SWAN Camden Credit Association Camden, N. J.
(3) ROBERT WYNN Aug. W. Smith Co. Spartanburg, S. C.	D. P. SLAUGHTER Credit Bureau of Spartanburg Spartanburg, S. C.
(4) E. L. GOODMAN Burger-Phillips Co. Birmingham, Ala.	JAMES E. FENN Merchants Credit Association Birmingham, Ala.
(5) JAMES E. MALONE East Ohio Gas Co. Cleveland, Ohio	GORDON W. GRAY Credit Bureau of Cleveland Cleveland, Ohio
(6) WILLIAM F. STREETER Davidson-Boutell Co. Minneapolis, Minn.	BEN BAER Credit Bureau of St. Paul St. Paul, Minn.
(7) WAYNE PENDERGAST Muellers Flowers Wichita, Kan.	RALPH B. KEARNS Credit Bureau of Wichita Wichita, Kan.
(8) R. A. JACKSON Volk Bros. Dallas, Texas	J. E. R. CHILTON, JR. Merchants Retail Credit Ass'n. Dallas, Texas
(9) WENDELL B. ROMNEY Z.C.M.I. Salt Lake City, Utah	WILLIAM S. ASPER Cr. Bur. of Salt Lake City Salt Lake City, Utah
(10) ROBERT STURDEVANT The Crescent Spokane, Wash.	M. T. WARRICK Credit Bureau of Spokane Spokane, Wash.
(11) ROBERT M. WYLIE Weinstock Lubin & Co. Sacramento, Calif.	E. F. HODGE Retailers Credit Association Sacramento, Calif.
(12) HERMAN A. DORSCH N. Hess & Sons Baltimore, Md.	CHARLES F. ROYSCROFT Credit Bureau of Baltimore Baltimore, Md.
A. B. GILLESPIE Dr. Smith & Associates	CANADA THOMAS DOWNIE Credit Bureau of Vancouver Vancouver, B. C.

Vermont*
Virginia*
Washington—J. D. Moore, Diesel Oil Sales Co.,
Seattle
West Virginia—L. A. Dudding, Galperin Music Co.,
Charleston
Wisconsin—Norman B. Critser, Credit Bureau of
Madison, Madison
Wyoming*
CANADA
Alberta*
British Columbia*
Manitoba*
New Brunswick*
Newfoundland*
Ontario—A. D. Sinclair, Credit Bureau of Ottawa
and Hull, Ottawa
Nova Scotia*
Quebec*
Saskatchewan—Ed Knight, Imperial Oil Co. of
Regina, Ltd., Regina
Prince Edward Island*

* Acceptance not received at press time.

u to Enroll Every Consumer Credit Executive Now!"



FROM THE *President's Pen*

Why N.R.C.A. MEMBERSHIP?

BECAUSE N.R.C.A. publishes *The CREDIT WORLD*, the only publication serving the entire field of consumer credit.

BECAUSE N.R.C.A.'s educational program is designed so that you can become better fitted to do an outstanding job in credit extension.

BECAUSE N.R.C.A. offers more courses on more subjects in its field than any other like association.

BECAUSE N.R.C.A.'s Speake, Womack, Marra and Berry constitute the greatest team of instructors ever assembled to cover the credit field. No other association anywhere, can offer you even half as much.

BECAUSE N.R.C.A.'s comprehensive textbook service is the only one of its kind in the world.

BECAUSE N.R.C.A.'s forms are the accepted standard throughout the industry.

BECAUSE N.R.C.A.'s active legislative program, at both State and National levels, is vitally needed at this time when regulation of installment selling is becoming more and more prevalent.

BECAUSE N.R.C.A., whose members come from every field of consumer credit extension, is the only medium that can and does improve the professional status of the credit sales executive.

BECAUSE N.R.C.A.'s organizational plan, with both District and Local Associations, allows you the opportunity of joining with your fellow credit granters in a common effort for self improvement.

BECAUSE N.R.C.A. has a complete program of consumer education. The only such program available anywhere.

BECAUSE—if ever credit management is to achieve the status of a profession, it will only be through the leadership of the N.R.C.A.

BECAUSE—of these and many other outstanding values the N.R.C.A. membership offers.

BECAUSE—of the sincere belief that these benefits should be brought to the attention of everyone engaged in the extension of consumer credit.

BECAUSE—we know that if all those eligible for membership would join immediately if they were made aware of the many benefits involved, we strongly urge every member of this association to join with our Membership Committee in recruiting new members.

BECAUSE—they are dedicated to the proposition that our membership can be doubled in a short time, Clarence E. Wolfinger and Charles F. Sheldon of Philadelphia were named co-chairmen of this year's Membership Committee.

If you are a member of this committee, you have a responsibility to give your support to **PROJECT PUSH**, for its success and yours depends entirely upon you.

If you are a member of this Association and not a member of this most important committee you still have a responsibility to yourself, your employer and your fellow credit men and women. That responsibility is to do your share in recruiting new membership in N.R.C.A. As N.R.C.A. grows in membership, so N.R.C.A. grows in services offered. For you to reach the ultimate in effectiveness in your chosen field requires that you actively participate in the activities of a forceful, dynamic association that serves that field.

The greater N.R.C.A.'s membership, the greater the power of N.R.C.A. It is to our own selfish interests to actively support the Membership Committee. More important still, you owe it to your fellow credit executives to let him, also, enjoy the many benefits of N.R.C.A. membership.

Let's all get behind PROJECT PUSH—Remember 62,000 by '62.

David Blair

PRESIDENT
National Retail Credit Association

The Dallas Conference—A Happy Memory

THE 45TH ANNUAL International Consumer Credit Conference, Sunday through Thursday, June 21-25, 1959 now takes its place in the long and impressive history of eventful and fruitful annual meetings of the nation's retail credit executives. Converging on the fabulous city of Dallas, Texas, and the sparkingly new Stater-Hilton Hotel, some 1,400 interested and enthusiastic members of the three cooperating associations, National Retail Credit Association, Associated Credit Bureaus of America and Credit Women's Breakfast Clubs of North America, found awaiting them the warm welcome and cordial hospitality for which Texas has become famous.

For several tightly-packed days the delegates listened to formal speeches and participated in scores of panel and group discussions. They heard about the immense power of consumer credit in the nation's economy and they discovered new and efficient techniques in modern credit management. New ideas fell on them like snowflakes in a storm. Fresh inspiration was given to them in abundance. New visits of effectiveness in their daily work were opened. And, with it all, they had time for fun, fellowship and frolic.

The official photographer was everywhere capturing the brilliance and excitement of the scene. Some of the results of his work are shown on the two succeeding pages. Space prevents us from identifying each and every one of the fortunate ones caught by his lens. One page of pictures portrays the opening spectacular social event on Monday evening, the *Texas Whingding*. Here, after a delicious Western dinner prepared in true Texas style, the delegates took time out to relax and get to know each other better. The local committee on arrangements, headed by the dynamic Conference General Chairman, J. E. R. Chilton, Jr., Dallas, spared no efforts to create an original and thoroughly Western environment for an evening of fun which will be long remembered.

Speakers at the formal general sessions ranged from the superbly inspirational to the carefully measured analyses of the economic picture and the responsibility and opportunity of individual credit granters in that picture. Future issues of *THE CREDIT WORLD* will bring you the words of some of these nationally-known and authoritative speakers. Here you will find the latest concepts of the rapidly developing science of consumer credit administration.

Presiding with skill and precision at the General Sessions was the President of National Retail Credit Association, J. C. Gilliland, Minneapolis, Minnesota. Equal prominence was given the presiding officers of the Associated Credit Bureaus of America, Donald H. Puffer, Denver, Colorado and the Credit Women's Breakfast Clubs of North America, Mrs. Mary S. Morgan, Houston, Texas.

Each afternoon of the Conference, delegates attended sessions of their choice at which individual and specific problems were discussed. It was at this informal, audience-participation, down-to-earth group meetings that time and money-saving ideas were obtained. Practical and workable ideas which result in economies of operation often more than repaid the firm for their investment in sending the representative to this working Conference. The accomplishments of those Group Sessions will be described in future issues of *THE CREDIT WORLD* together with the comments and reactions of

some of the various group chairmen.

The President's Reception and Ball on Tuesday evening gave members an opportunity to meet their elected and executive officers. Evidence that this was a gala occasion is provided in the photograph showing the obvious satisfaction of those in the receiving line.

Of special significance at this 45th Annual International Conference was the presentation to Lindley S. Crowder, General Manager-Treasurer of the National Retail Credit Association, of a beautifully prepared **RESOLUTION** commemorating the completion of 25 years of loyal and effective service to the Association. A photograph of Mr. Crowder receiving this resolution at the banquet on Thursday evening and another showing his acknowledgment, will be seen on the second page of photographs.

The wives attending the Conference were admirably entertained by an efficient local committee. Several delightful trips around Dallas to points of extreme interest were provided. Of course, no visit to Dallas would be complete without visiting the world-famous Neiman-Marcus and the ladies saw this renowned center of elegance. Other events were thoughtfully planned and thoroughly enjoyed by the ladies.

After the closing banquet, at which outstanding entertainment was featured, the delegates departed for their homes. Remaining were happy memories and batches of profitable notes. The latter will become part of improved operation in countless credit offices throughout the nation. The Conference was voted unanimously a huge success. Dallas can well be proud of this noteworthy event.

As must be however, no sooner does one Conference end, but preparations are started for the next. Your officers, directors and executive staffs are now working steadily toward the 46th Annual International Consumer Credit Conference at Chicago, June 5, 6, 7, 8, and 9, 1960.

Attention Please



C-17

SHOWN HERE, in actual size, is our newest sticker, printed in the National's colors, bronze blue on gold gummed paper.

THE NATIONAL'S slogan, "Guard Your Credit as a Sacred Trust," is effective as an educational message. Designed as an all purpose sticker, it may be used:

- When affixed to the customer's statement it acts as a collection aid.
- When used on credit department correspondence it carries prestige of N.R.C.A. membership.

Price, **\$4.00** per thousand

NATIONAL RETAIL CREDIT ASSOCIATION

375 Jackson Ave.

St. Louis 30, Missouri





CREDIT DEPARTMENT

Letters

LEONARD BERRY

HABIT AND TRADITION are heavy chains which hamper efforts towards writing better business letters. We are bound by both as effectively as if by steel manacles.

Look first at this matter of habit. Poor letter writing habits often begin when responsibility for business correspondence is first assigned. Either through timidity or laziness and following the line of least resistance, many simply continued using the stereotyped expressions and dreary patterns sanctified by generations of predecessors.

Habitual repetition has made of business letter dictation a wearisome recital of the same old phrases. With only half their minds on the challenging job of communication, correspondents repeat the unimaginative and stodgy letter openings and closings hallowed by decades of use.

It is true, of course, that habit has a definite place in our business lives. If we had to stop and think about every minor detail of the day's activities, work output would surely suffer. Habit and routine are essential to get us through the day. What we should do is to *develop* better habits.

It is said of a great pianist that he approaches every performance with infinite care and thoughtful preparation. No matter how many times he has played a given piece, his dedication to ideals of perfection makes each occasion supremely important. Hence his flawless and inspiring recitals.

If we can catch something of that spirit in our work as business correspondents, instead of our letters being platitudinous and stagnant they will become distinguished and radiant. Each business letter has a selling mission to perform. Each business letter is a powerful agent for the creation of good or ill will. Each business letter will succeed or fail depending on the degree to which the writer can effectively project his friendly and cooperative personality over the enormous chasm which divides the sender and the receiver of the letter.

Readers are interested in themselves, as we all are. Search for whatever is good and pleasant about the message you have to get across and use that as the **YOU** appeal.

Resolve not to waste those precious ten or fifteen words at the *beginning* of the letter on banalities. The opening of the letter is where attention is secured and the stage set for favorable reception of the message. Develop the habit of *thinking* about the reader and of looking at each business situation *through the eyes* of the reader.

Tradition too has its deadening effect on letters. Waldo J. Marra, N.R.C.A.'s field lecturer in modern business letter writing and author of the outstanding text *Streamlined Letters*, points out that from the horse and buggy days, when leisure and meditation were possible in the writing of letters, we have progressed to the streamlined age when time is all-important.

Our businessmen forbears wrote letters liberally sprinkled with such formal and stilted phrases as, "We

beg to advise and wish to state" . . . "Herewith enclosed" . . . "We remain, your obedient servant. . ."

Tradesmen and merchants persisted in using the servile expressions carried over from older countries where the nobility provided most of the business and it was thought necessary to abase oneself in order to gain and retain favor.

Another reason for those last century wordy and overly precise letters was that letters then were often semi-legal documents and often permanent records of business transactions. Not so these days—letters are principally selling communications.

And so the heavy hand of tradition, plus the solidifying of poor habits, have caused us to follow in the same deeply rutted way. We must change our habits and flout tradition. We must seek the appeals which will stimulate the reader to do something willingly. We must strive for clarity, coherence and unity, at the same time achieving effectiveness and originality by saying the same old things in *different ways*.

This Month's Illustrations



Illustration No. 1. Here we have a splendid credit sales promotion letter from Gibson-McDonald Furniture Company, Waycross, Georgia. As we have often pointed out in this department, instalment accounts on the verge of being paid-out satisfactorily offer about the finest avenue for new credit sales one could possibly imagine. Credit is a *personal* service. Customers are frequently attracted and held more securely by thoughtfulness and personal attention as well as by excellence of merchandise.

Illustration No. 2. A shining example of the positive *sales approach* many banks are taking nowadays to earn the goodwill of customers and to create patronage. This "newcomer" letter, from the First National Bank, is saturated with the service spirit. The bank takes on an *image* in the reader's mind far removed from the traditionally severe picture once unhappily common.

Illustration No. 3. It is always refreshing to read a letter with an original beginning! Anything that takes away the stodginess and dreariness from our letters is highly desirable. In this letter, Kenwin Shops, start with a "different" approach. The reader is almost impelled to read the entire letter to find out what it is all about. Good!

Illustration No. 4. We are often asked about a simple and inexpensive new account acknowledgement form. Here is one sent to us by Western Auto Supply Company. The clerk simply fills in the name of the new customer with pen and ink at a minimum of cost and delay.

Illustration No. 5. Here are shown some of the most recent stickers prepared by N.R.C.A. We will be happy to send you samples and prices of our complete range. These membership aids have advantages in economy and ease. N.R.C.A. insignie gives them prestige.

GIBSON-McDONALD Furniture Company

J. D. GIBSON RUBY McDONALD

PHONE 2800

511-515 TERREAU ST.

Waycross, Georgia

①

It's not very often that we enjoy the pleasure of writing you a few lines. Not that we don't want to, but we're usually so busy writing 'please remit' and similar letters that we find ourselves just passing over your splendid record with a mental note 'small account'.

However, we'd like to take a minute today to put into words the feeling that has existed throughout our association. So—a grateful and sincere 'thank you' for your continued business and record of consistent promptness with us. You have established a credit rating in which we share your justifiable pride.

Now, you have only a very small balance, and the agreement will be marked with those happy words, PAID IN FULL. But, you do not have to wait for that time to make additional purchases. We are glad to tell you that your fine record entitles you to come in and make your selection now, add on to your present account without increasing your monthly payment in many cases, just continuing the present monthly payments a little longer.

Come in real soon, and take advantage of this fine opportunity. Tell us how we can best serve you—it will be a pleasure!

Cordially yours,

GIBSON-McDONALD FURNITURE COMPANY

FIRST NATIONAL BANK in Waycross

THE PROGRESSIVE MONEY DEPOSITING AND CREDITING COMPANY

WAYCROSS, GEORGIA

July 1, 1959

D. W. BAZEMORE
President

MEMBER
FEDERAL RESERVE BANK OF ATLANTA

②

Mr. John Doe
1234 Main Street
Anywhere, USA

Dear Mr. Doe:

I would like to take this opportunity to welcome you to Waycross and to extend to you a warm and cordial invitation to do your banking with the First National Bank.

Our bank is equipped and staffed to provide you with the most modern banking services available which include two drive-in teller's windows (the only ones in our city), a convenient parking lot, safety deposit booths, private conference rooms, a civic room for public meetings, our newly installed Electronic Bookkeeping system and many other modern services for your convenience.

We would like very much to meet you personally and welcome you to our fine city and we would appreciate the opportunity of serving you. It is our sincere hope that you will come by to see us at an early date.

Cordially yours,

D. W. Bazemore
President

GMB:jh

KENWIN SHOPS

WAYCROSS, GEORGIA

③

Dear Customer:

We've written "Ap fr Pfd Cdt" next to your name!

Sounds confusing? It really isn't. It is simply our abbreviation indicating that your account is now fully "approved for preferred credit."

As a preferred credit customer, you can come into Kenwin's at any time, and purchase your fashion apparel without the inconvenience or delay of any further credit investigation.

Moreover, you can make your selection and take your garment without any down payment!

This is our way of thanking you for the prompt and efficient manner in which you have made your past payments. For now, although your payments are finished, your account is not closed. Instead, it is most completely open and thoroughly established—ready for use again, at your convenience.

We look forward to serving you again at Kenwin's, where your credit is fully approved and preferred.

Very truly yours,

KENWIN'S

WESTERN AUTO SUPPLY

600 MARY STREET

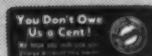
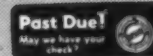
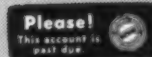
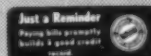
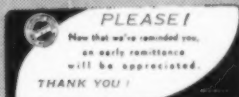
Phone Atlas 3-2922 Waycross, Ga.

④

Dear Mr. *Customer*

It is indeed a pleasure to say your credit account has been approved by our credit department. Would you do us a favor by letting us be of some service to you.

GORDON FRISCH, Mgr.



CREDIT FLASHES

Sterling S. Speake Credit Schools

Here is a partial list of cities where credit schools will be conducted this Fall by Sterling S. Speake:

Ft. Wayne, Indiana	Halifax, Nova Scotia, Canada
Ashland, Ohio	Moncton, New Brunswick, Canada
Trenton, New Jersey	Augusta, Maine
Hartford, Connecticut	Portland, Maine
Cornwall, Ontario, Canada	Rutland, Vermont
Binghamton, New York	Lawrence, Massachusetts
York, Pennsylvania	Cleveland, Ohio
New Britain, Connecticut	Newark, Ohio
Lewiston, Maine	Sarnia, Ontario, Canada

Several other cities are tentatively scheduled pending confirmation of dates. If your city is interested in having Mr. Speake conduct a professional streamlined credit school for you, please write the National Office for details and open dates.

Aaron Littman in New Position

Aaron Littman, formerly Credit Manager, The White House, Beaumont, Texas, has resigned to accept the position of Credit Manager, Plantowsky's Home Furnishers, Galveston, Texas. He is a past president of the Retail Credit Executives of Texas and a former director for District 8 of N.R.C.A.

Southern Consumer Credit Clinic

The 11th annual Southern Consumer Credit Clinic will be held at the Hotel Charlotte, Charlotte, North Carolina, September 15-16, 1959. Sponsors of the clinic are, Retail Credit Association, Credit Women's Breakfast Club, Medical Assistants Association, Charlotte Hospital Council, and Charlotte Merchants Association. Maximum attendance is 450 and the registration fee is \$12.50.

Stern Bros. Credit Head

Charles W. Weyel has been named Credit Sales Manager of Stern Bros., New York, N. Y., succeeding the late Walter E. Baab. He has been with the store since 1958 as assistant to Mr. Baab. Mr. Weyel has been connected with Allied Stores Corp., since 1946, when he joined the B. Gertz credit department.

Mrs. Giles C. Driver

Sympathy of the N.R.C.A. is extended to Giles C. Driver and his family in the passing of his wife, Grace, on July 30, 1959. Mr. Driver was for many years Credit Manager, The May Company, Cleveland, Ohio, until his retirement. He is a past president of the National Retail Credit Association, serving in 1935-1936.

FOR SALE

Collection agency located in Midwest. Population 50,000. Box 9592, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Provinces of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, May 22, 23 and 24, 1960.

District Two (New Jersey and New York) will hold its annual meeting at the Hotel Syracuse, Syracuse, New York, April 23, 24, and 25, 1960.

District Three (Cuba, Florida, Georgia, North Carolina, and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi, Tennessee, and Bristol, Virginia) will hold a joint annual meeting at the Roosevelt Hotel, New Orleans, Louisiana, April 20, 21, 22, and 23, 1960.

District Five (Illinois, Indiana, Kentucky, Michigan, Ohio, Ontario, Canada, and Wisconsin, except Superior) will hold its annual meeting in conjunction with the 46th Annual International Consumer Credit Conference at the Palmer House, Chicago, Illinois, June 5, 6, 7, 8, and 9, 1960.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, Fort William, Ontario, and Manitoba, Canada) will hold its annual meeting at the Blackhawk Hotel, Davenport, Iowa, March 27, 28, and 29, 1960.

District Seven (Arkansas, Kansas, Missouri, and Oklahoma) will hold its annual meeting at the Hotel Jayhawk, Topeka, Kansas, March 10, 11, 12, and 13, 1960.

District Eight (Texas) will hold its annual meeting at the Robert Driscoll Hotel, Corpus Christi, Texas, May 22, 23, and 24, 1960.

District Nine (Colorado, New Mexico, Utah, and Wyoming) will hold its annual meeting at the Hotel Continental, Pueblo, Colorado, May 15, 16, and 17, 1960.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Banff Springs Hotel, Banff, Alberta, Canada, May 20, 21, 22, 23, and 24, 1960.

District Eleven (Arizona, California, Hawaii, and Nevada) will hold its annual meeting at the Hotel St. Clair, San Jose, California, February 21, 22, and 23, 1960.

District Twelve (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia) will hold its annual meeting at the Hotel Sheraton, Philadelphia, Pennsylvania, February 14, 15, and 16, 1960.

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CREDIT EXECUTIVE. Over 20 years' experience in all phases of retail credit and collections, and complete office management. Will relocate where permanence, responsibility and opportunity are available. Résumé and references gladly furnished. Box 9593, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Reprints Available

Additional copies of all articles appearing in this issue of *The CREDIT WORLD* may be purchased by writing the National Office, 375 Jackson Avenue, St. Louis, Missouri, within 30 days of publication. Rates will be quoted upon request.

Frank Layton Honored

Frank Layton, Credit Sales Manager, Strawbridge & Clothier, Philadelphia, Pennsylvania, was recently elected President of the Philadelphia Retail Controllers Association. He has been active in the Philadelphia Retail Credit Managers Association and the Philadelphia Credit Bureau.

Beneficial Finance Promotions

Three top aides of the Beneficial Finance Company, Wilmington, Delaware, have been promoted. They are: DeWitt J. Paul, vice chairman of the board; Thomas A. McGrath, first vice president, and Robert A. Tucker, vice president. The announcement was made by O. W. Caspersen, president and chairman of the board. The Company maintains 1,150 loan and finance offices throughout the United States, Canada, Hawaii and Alaska.

Community Service

(Beginning on page 12)

Credit Bureau can give first hand information as to their experience and be helpful in the development of a collection policy that is suited to the community's way of life. Credit reports are helpful in assisting the accounts receivable clerk in evaluating the patient's social status for effective handling of the account. We have found that the Credit Bureau's approach to the collection of hospital accounts in Waycross has been favorably accepted and brings results.

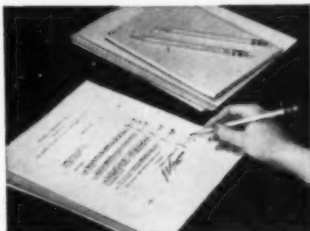
Someone once said that one of life's greatest satisfactions is being able to park on what's left of some other guy's nickel. This may be true for parking, but failure to collect the hospital account from every patient places the burden of hospital expense on the paying patient. Prevention of this should be of interest to all. The understanding of the collection problem of hospitals by the medical staff, the credit bureau, and the people of the community will help administration in keeping the wheel turning toward a more progressive and efficient community hospital. ★★★

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★ Items of Interest From the **NATION'S CAPITAL**

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

The Uniform Commercial Code—In the short space since the first draft of the Uniform Commercial Code was published in 1952, great progress has been made in the monumental undertaking of securing its adoption in the various states and other American jurisdictions.

The Code is the fruit of a movement that started prior to 1890 with the general objective of bringing about uniformity among the states, territories, possessions, and the District of Columbia of the law regulating commercial transactions (and as well many other segments or sectors of the law). Following formation of a committee by the American Bar Association in 1889, the National Conference of Commissioners on Uniform State Laws was organized in 1892, composed of commissioners or representatives of the various states. The Conference has functioned vigorously since its formation down to the present time. Among its first endeavors was sponsorship of legislation relating to commercial paper—notes, checks, drafts, bills of lading, etc., which culminated in the Uniform Negotiable Instruments Act proposal in 1896, which by 1930 had been enacted in every American jurisdiction—53 in all. It was the forerunner of some 107 "Uniform Act" proposals promulgated in a period of 67 years, covering many areas besides commercial law.

In the field of commercial law, following the Uniform Negotiable Instruments Act of 1896, other uniform acts were published: In 1906 the Uniform Warehouse Receipts Act (also enacted in all of the American jurisdictions) and the Uniform Sales Act; in 1909 the Uniform Stock Transfer Act and the Uniform Bills of Lading Act; in 1918 the Uniform Conditional Sales Act, and in 1933 the Uniform Trust Receipts Act.

However, only three of the acts were adopted in all or practically all of the states and other jurisdictions. Thus the movement toward uniformity of commercial law (to say nothing of other fields) was to a considerable degree thwarted by lack of state action. Moreover, the uniform commercial acts (as well as others) as promulgated and/or adopted from time to time, had necessarily gotten behind the times as a result of changed conditions.

Along similar lines, another significant event or movement in American law had occurred in 1923 with the formation of the American Law Institute, composed of leading judges, professors and lawyers. The general objective of the Institute was to prepare a "Restatement" of the general common law of the United States, "including in that term not only the law developed solely by judicial decision, but also the law that has grown from the application by the courts of statutes that have been generally enacted and have been in force for many years."

The need for improvement of the law was further described in official comment as follows: "The Institute recognizes that the ever-increasing volume of the decisions of the courts, establishing new rules or precedents, and the numerous instances in which the de-

cisions are irreconcilable . . . are rapidly increasing the law's uncertainty and lack of clarity; and this will force the abandonment of our common law system . . . unless a new factor promoting certainty and clarity could be found."

In June 1923 work on the "Restatement" was begun in four subjects—Conflict of Laws, Contracts, Torts and Agency. It was not until nine years later—in 1932—that the *Restatement of the Law of Contracts* was published in two volumes; and in 1933 the *Restatement of the Law of Agency*, also in two volumes, was published. The American Law Institute has continued vigorously to carry on this work down to the present time.

Thus it may be seen that these two organizations, the National Conference of Commissioners on Uniform State Laws and the American Law Institute, while working in distinct areas, were pursuing the common objective of improvement in the quality of the law.

With vast experience behind them, it may be significant to the survival of our present legal system and the preservation of separate jurisdictions in the states and other entities, that these two organizations in 1942 undertook, jointly, to prepare a "Uniform Commercial Code." Ten years later, in 1952, as noted above, the first complete draft of this "Code" was published.

What is the "Code," what are its objectives, what is the affect on existing law? These are some of the questions that crown upon each other for answer. In the short compass of this article the best description of the coverage is to quote the text of the "long title" of the Act, and its Table of Contents, as follows:

AN ACT

To be known as the Uniform Commercial Code, Relating to Certain Commercial Transactions in or Regarding Personal Property and Contracts and Other Documents Concerning Them, Including Sales, Commercial Paper, Bank Deposits and Collections, Letters of Credit, Bulk Transfers, Warehouse Receipts, Bills of Lading, Other Documents of Title, Investment Securities, and Secured Transactions, Including Certain Sales of Accounts, Chattel Paper, and Contract Rights; Providing for Public Notice to Third Parties in Certain Circumstances; Regulating Procedure, Evidence and Damages in Certain Court Actions Involving Such Transactions, Contracts or Documents; to Make Uniform the Law With Respect Thereto; and Repealing Inconsistent Legislation.

The Table of Contents of the one-volume Code, consisting of ten Articles, is as follows:

Art. 1 General Provisions	- Other Documents of Title
Art. 2 Sales	
Art. 3 Commercial Paper	Art. 8 Investment Securities
Art. 4 Bank Deposits and Collections	Art. 9 Secured Transactions; Sales of Accounts, Contract Rights and Chattel Paper
Art. 5 Letters of Credit	
Art. 6 Bulk Transfers	
Art. 7 Warehouse, Receipts Bills of Lading and	Art. 10 Effective Date and Repealer

(Turn to "Commercial Code, page 30.")

LOCAL ASSOCIATION *Activities*



Brownsville, Texas

The new officers and directors of the Retail Credit Executives of Brownsville, Brownsville, Texas, are: President, Ernest J. House, Pan American State Bank; Vice President, Joseph Calapa, J & O Men's Wear; Secretary, Majorie McDaniel, Southwestern Bell Telephone Company; and Treasurer, Claire Key, Credit Bureau of Brownsville. Directors: Paul Springman, Sr., Springman-King Company; Mrs. J. W. Bell, Bell's Store for Men; Roy Clint, D. K. Clint Loans & Insurance; Charles Prunty, Zarsky Lumber Company; and A. I. Anderson, Jr., First National Bank.

Detroit, Michigan

At a meeting of the board of directors of the Retail Credit Association, Detroit, Michigan, the following officers and directors were elected for 1959-1960: President, Robert L. Stacey, National Bank of Detroit; First Vice President, Wilfred Berry, Kilgore & Hurd; Second Vice President, William H. Sasser, Winkleman Bros. Apparel; and Secretary-Treasurer, Paul E. Thomas, Merchants Credit Bureau. Directors: Walter R. Blackburn, Federal Department Stores; Paul B. Dain, J. L. Hudson Company; Harold J. Drew, Montgomery Ward & Company; John Gibson, Michigan Consolidated Gas Company; Chester S. Phillips, Sears, Roebuck and Co.; Clare Prowse, Demery's; and Nora R. Latour, Crowley, Milner & Company.

Springfield, Massachusetts

At the annual meeting of the Retail Credit Association of Springfield, Springfield, Massachusetts, the following officers and directors were elected: President, Ella T. Hendron, D. H. Brigham and Company; First Vice President, Robert A. Byrne, Valley Bank and Trust Company; Second Vice President, Joseph T. Spagna, Springfield Gas Light Company; and Secretary-Treasurer, George B. Allan, Credit Bureau of Greater Springfield. Directors: William F. Cawley, Swett Brothers; Ernest W. DesLaurier, Converse-Carlisle Company; Mrs. Elizabeth W. Shea, Security National Bank; and Murray Walker, Forbes & Wallace.

Rochester, New York

The new officers and directors of the Rochester Retail Credit Association, Rochester, New York, are: President, Katharine F. Kennedy, E. W. Edwards & Son; First Vice President, Arthur E. Desbrow, Security Trust Company; Second Vice President, Robert F. Doyle, Hub Oil Company; and Secretary-Treasurer Robert J. Walsh, Credit Bureau of Rochester. Directors: George J. Butts, Lake View Printing Company; Leonard Cohen, North Side Furniture House; Mary G. Doyle, Rochester General Hospital; Fred W. Ereth, Dime Banking & Loan Association; Robert W. Miller, B. Forman Company; Jack M. Milligan, Lincoln Rochester Trust Company; and Louis A. Schifino, Rochester Radio Supply Company.

Philadelphia, Pennsylvania

At the annual luncheon meeting of the Philadelphia Retail Credit Managers Association, Philadelphia, Pennsylvania, the following officers and directors were elected: President, Harold V. MacNew, Girard Trust Corn Exchange Bank; Vice President, Stanley Mann, Keystone Coal & Wood Company; Treasurer, John A. Sears, Provident Tradesmen Bank & Trust Company; Secretary, George C. Whittam, Philadelphia Credit Bureau; and Assistant Secretary, John J. Lamplugh, Philadelphia Credit Bureau. Directors: Guenter Borg, Gimbel's; James E. Burke, Snellenburgs; Harry A. Christopher, Northeast Home Furnishers; John H. Dempster, Quaker City Federal Savings and Loan; Peter De Sante, Bonwit Teller; Margaret Everman, Geutings; Daisy Hilbrunner, The Blum Store; Dudley Johnson, Dewees; Samuel Kind, S. Kind & Sons; Louis Krensel, Lit Brothers; Frank M. Layton, Strawbridge & Clothier; Alex C. McClelland, *Philadelphia Inquirer*; Richard J. Miller, Pennsylvania Consumer Finance Association; J. Paul O'Donnell, Lane Bryant; James A. Orr, Mardwick and Magee; George E. Quist, Wanamakers; Charles F. Sheldon, Philadelphia Credit Bureau; William Stockton, Atlantic Refining Company; and Jack H. Zitzer, Herman Clothing Company.

Bremerton, Washington

At the annual meeting of the Retail Credit Association of Kitsap County, Bremerton, Washington, the following officers and directors were elected: President, Robert Kennedy, Kitsap Dairymen's Association; Vice President, Milton Titus, Harrison Memorial Hospital; Secretary, Avadana Cochran, Credit Bureau of Kitsap County; and Treasurer, Charles McKenzie, Service Fuel Company. Directors: Mrs. Mary Williams, Bremer's Department Store; and Victor Bergquist, Kitsap Radio and Appliance.

Birmingham, Alabama

At the annual meeting of The Associated Retail Credit Managers of Birmingham, Birmingham, Alabama, the following officers and directors were elected: President, Julius L. Bragg, Cobbs Allen & Hall; First Vice President, C. H. Gibson, Alabama Gas Corporation; Second Vice President, Joe H. Cruce, Yeilding's; Third Vice President, R. E. Killette, Moore-Handley Hardware Company; and Secretary-Treasurer, J. E. Fenn, Merchants Credit Association. Directors: George W. Crawford, Alabama Power Company; George H. Allen, Fidelity Mortgage Company; J. B. Brunson, Birmingham Trust National Bank; Mrs. Grace Crowe, Brett Gas, Inc.; B. C. DeLoach, Loveman's; Mrs. Viola Donnelly, Hendrix Brooks Furniture Company; C. I. Dreyfus, Green & Stein Furniture Company; J. P. Ploch, Henry Porter, Inc.; Mrs. Pearl Pruett, Taylor Glass Company; W. H. Ray, New Williams; J. L. Reading, Drennen Motor Company; and Mrs. John R. Uram, Radio Service Company.



Dairy and Baking

QUESTION

"Despite all my efforts, according to my management, I am not getting the volume of new credit business I should. Have the panel members any new and effective ideas on credit sales promotion I can try?"

ANSWERS

Harry W. McMillan, General Credit Manager, The Borden Company, Detroit, Michigan: This question is one that requires cooperation. First, getting the volume of new credit business in the dairy industry begins with the route salesman. Second, credit and sales departments must work in harmony on sales promotion programs, contests, etc. Third, credit policy must not be too rigid; it must be flexible so that it does not impede the acquisition of new business which in reality is where the new volume of credit business is obtained. Fourth, management must be alert to the local competitive conditions and cooperate in harmony with a sound credit policy and a business-getting sales program. This type of thinking and working together should answer the problem posed.

W. A. Schenk, Ideal Pure Milk Company, Evansville, Indiana: We are always looking for new business, in addition to taking care of our present customers. When we take on a new customer we gladly grant credit on a weekly, semi-monthly, or monthly basis, according to the customer's wishes—and depending of course if we feel their credit is O.K. But, we do not advertise credit as an incentive for new business. In fact, we can be entirely too loose on credit, if we are not careful.

Lewis B. Skinner, William H. Roberts & Sons, Indianapolis, Indiana: The whole essence of selling is telling the story of your merchandise and your firm to as many people as possible. To accomplish this you welcome new families in your community and at the same time invite them to visit your store. In the same general category you congratulate newlyweds, new parents, and old residents of the community buying or building new homes. Letters of appreciation can be sent to present customers inviting them to add to their present accounts. Former customers should be invited to again come in and buy on an already established account. Better than any gimmick is to let all persons you contact know the warmth of friendship and your sincere desire to serve them.

Let's Make Resigned Members Re-Signed Members

Harry N. Taylor, Credit Manager, Beatrice Foods Company, Tulsa, Oklahoma: To promote sales in general is to promote credit sales, work with your sales department. One of the best ways we have found to promote credit sales is to hold the present credit accounts by keeping the accounts collected current, by doing so your present customers will buy more of the products you have to offer. More customers are lost because of the failure to collect promptly, than for any other single reason. So why lose a credit account; promote your collections and you will be promoting credit sales. Have a contest on collections, or set up a monthly bonus on collections and you will find your sales on the increase, and at the same time your accounts receivables will decrease. Good collections mean good sales, poor collection methods mean poor sales.

Banking and Finance

QUESTION

"What is the best method of calculating rebates in service charges, particularly from a public relations viewpoint?"

ANSWERS

R. E. Bratton, Vice President, Exchange Bank & Trust Company, Dallas, Texas: I am of the opinion that the best method of calculating rebates and service charges depends upon a great many things. When you speak of rebating them from a public relations viewpoint, you immediately eliminate most of the universally advertised forms such as the "Rules of 78" because we all are aware that the customer who pays an account off in half of the length of time expects to receive exactly half of the original charges rebated. Considering this, I would have to say that the best method of calculating rebates from the public relations viewpoint would be to charge only for the length of time that the account has run. However, in an effort to maintain a profitable operation, I am of the opinion that rebates should be made on the basis of what the unpaid balance of the account should be at the date it is being paid for the length of time the account has to run figured at the original rate of interest. A complaint against such rebates can be quieted by the process of increasing the original basis of charge because of the shorter duration period, refiguring the original amount for the shorter period on the increased rate.

L. A. Brumbaugh, Vice President, Valley National Bank, Phoenix, Arizona, Second Vice President, National Retail Credit Association: In the calculation of rebates on prepaid loans, the FHA refund formula is most satisfactory. It has the advantage of offering a plan that is in widespread use, and is readily explained. It is generally fair both to the customer and the lending institution. Should the creditor choose to make a more generous refund of interest on larger loans he will, of

course, have an opportunity to explain his generosity by reference to a formula in general use. When this is true it should make good will for his company.

Babe Cialone, Assistant Vice President, The Merchants National Bank of Fort Smith, Fort Smith, Arkansas: A question of this nature compasses a large number of circumstances. First, we must all realize public relations is a vital part of everyone's business whether or not the particular business involved has a formal public relations program. We all have public relations of some kind; good, indifferent, or bad. Public relations amounts to what others think of you, and how they act towards you. This means your customers must understand how rebates are figured. This can only be accomplished by rendering a full explanation of your charges in a direct, simple, and courteous manner. With the foregoing statements as a basis for our relations with each customer, our rebate on prepaid contracts is formed. It is our policy to fully explain at the time we accept the instalment loan all charges such as interest and insurance, pointing out that if paid before maturity a refund will be allowed on the unearned charges. We make it a definite point to give a complete explanation of the interest and insurance charges based on the time that the contract is in effect, and that no additional charges beyond that time will be made. The same procedure would be followed if we were permitted to have additional service charges. Past experience has proved to us that courtesy and appreciation of one's business can best be shown by giving a full explanation of the contract involved. This is the surest way of keeping profitable business on the books, and securing future business from the same sources.

C. M. Berry, Assistant Vice President, Instalment Credit Division, Seattle-First National Bank, Seattle, Washington: Our method of calculating rebates on finance charges is as follows: Carrying charges are figured for the full term of the loan or contract at the inception point. If one is prepaid, the interest is figured on the amount of money in use in relation to the length of time used and the number of months prepaid. This method is generally referred to as the 78's method of refunding and takes into consideration the advance payment rebate on a prepaid transaction.

John L. Gibson, Vice President, Republic National Bank of Dallas, Dallas, Texas: In answer to your question with reference to the best method of calculating rebates, we use and believe the 12/78 method to be not only the best but the most fair and equitable.

A. J. DeMarco, Family Finance Management Corporation, Miami, Florida: I feel that rule 78 is a practical and a fair system which most banks and reputable finance companies use. I certainly agree from a public relation standpoint that the customer should get a fair and reasonable rebate. We must remember that your best salesman is a satisfied customer.

D. D. Godfrey, Vice President, Bank of Charlotte, Charlotte, North Carolina: We have little difficulty with rebating unearned interest on prepaid loans as we use "the 78's, of the sum of the digits method," as required by our State Banking Commission. This method divided the principal and interest into units and allows a greater earned interest in the early payments to enable us to recover our initial cost of setting up the loan or contract. We occasionally have a request for a pro rata rebate, but, when our method is explained, we receive little or no objection.

Andrew J. Hundertmark, Senior Vice President, Union Trust Company of Maryland, Baltimore, Mary-

land: Since the inception of our consumer credit department we have calculated rebates by multiplying the amount prepaid by the rate charged for the loan originally. Example: Discount rate six per cent per annum (one-half of one per cent per month) \times \$1,200.00 loan for one year (repayable in 12 equal monthly instalments of \$100.00 each) equals \$72.00 discount. Loan prepaid at the end of six months when balance of \$600.00 is due with the loan having six more months to run, multiply the \$600.00 by three per cent (one-half of one per cent per month) which equals \$18.00 and is the amount of rebate allowed. There are some few customers, because of their unfamiliarity with loans of this sort who have the feeling that the discount originally charged should be prorated at the time of prepayment but when the explanation is made that the largest cash employed was in the first months of the loan, and when they understand that if they had only borrowed \$600.00 for six months that we would have only charged them \$18.00 they are fully satisfied with the rebate given. My understanding is that our competitors in this area use basically the same method of figuring rebates.

H. W. Haynes, Vice President, The Bank of Georgia, Atlanta, Georgia: I presume that the question addresses itself solely to the matter of rebate of interest even though it includes the words "service charges." We make no reference to service charges in quoting rebates. Here at The Bank of Georgia we use the 78ths method, which I believe the majority of the banks use. We think that this is the fairest method for both ourselves and the customer. Naturally we think we are entitled to retain a reasonable portion of the interest charges to partially cover the cost of putting the loan on the books. In the vast majority of instances our customers do not complain about the amount of rebate which they receive. This leads us to believe that from a public relations standpoint this method is acceptable. Naturally any customer would be more pleased to receive a larger rebate, but except in the few instances where the customer complains there would be no way to let him know that he is getting a better deal on some other basis than he is getting under the 78ths method. In those instances where a customer does complain about the amount of rebate under the 78ths method, I always try to point out that we are rebating him on approximately the same rate of per annum interest as we would charge him for the same amount of money if he were borrowing it. I am careful to tell him, however, that a factor has been established based on the number of months a loan is being paid in advance and that this rebate is figured on the amount of his unpaid balance. Most customers understand that not only is our bank entitled to something to cover the cost of acquiring the loan, but that insurance companies follow the practice of giving "short rate" rebates where insurance cancellations are involved. Most customers also appreciate the fact that they come out much better with the bank generally than they do with some of the finance companies, both from the standpoint of the interest originally paid and the rebate received. Therefore in most instances they seem to be reasonably well satisfied with the rebates we allow here at The Bank of Georgia.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

Prizes for Project "P-U-S-H"

Will Be New and Different

Charles F. Sheldon and Clarence E. Wolfinger, Co-Chairmen Membership Committee, reports that the prizes for Project "P-U-S-H" to be awarded at the 46th Annual International Consumer Credit Conference in Chicago, June 5-9, 1960, will be new and different.

For the District Membership Co-Chairmen reporting the largest percentage of membership gain over 1959-1960, Stereophonic Portable Hi-Fi record players.

To the State Membership Co-Chairmen who state reports the largest percentage of growth over 1958-1959 will go Polaroid Land cameras.

The Local Membership Co-Chairmen whose association shows the largest percentage of growth will receive beautiful gold wrist watches.

Only one set of Co-Chairmen in each group will receive awards. The first five credit bureau managers in each N.R.C.A. District reporting 100 per cent National Application (all members), provided the minimum is 100 members, will receive \$25.00 in cash.

District Membership Chairmen will receive \$25.00 for each net growth of 100 members in the district. The basis for comparison will be the N.R.C.A. audited figures of May 31, 1960, with those of May 31, 1959. The

funds will be deposited with the district's treasurer for educational project expenditures.

Bronze membership plaques, mounted in solid walnut, properly inscribed, will be given to credit associations as outlined below, organized between June 1, 1959, and May 31, 1960, as follows:

1. First National unit of more than 25 members organized during the fiscal year.
2. Unit making the greatest membership gain.
3. Local associations in cities up to 50,000 population organizing a National unit of 25 or more members or reporting 25 new members.
4. Local associations in cities up to 100,000 population organizing a National unit of 50 or more members.
5. Local associations in cities of 100,000 to 250,000 population organizing a National unit of 75 or more members.
6. Local associations in cities of over 250,000 population organizing a National unit of 100 or more members.

In case of a tie, duplicate awards will be made. All award decisions will be made by the Co-Chairmen of the Membership Committee based upon CPA audited figures at National Headquarters.

● "Commercial Code" (Beginning on Page 26.) ●

The general philosophy or concept of a uniform commercial code is well stated in the comments which the Editorial Board has inserted throughout the Code for the purpose of clarifying legislative intent in the enactment process, as follows:

"The concept of the present Act is that 'commercial transactions' is a single subject of the law, notwithstanding its many facets. (Emphasis supplied.)

"A single transaction may very well involve a contract for sale, followed by a sale, the giving of a check or draft for a part of the purchase price, and the acceptance of some form of security for the balance.

"The check or draft may be negotiated and will ultimately pass through one or more banks for collection.

"If the goods are shipped or stored the subject matter of the sale may be covered by a bill of lading or warehouse receipt or both.

"Or it may be that the entire transaction was made pursuant to a letter of credit either domestic or foreign.

"Obviously, every phase of commerce involved is but a part of one transaction, namely, the sale and payment for goods.

"This Act purports to deal with all the phases which may ordinarily arise in the handling of a commercial transaction, from start to finish."

Article 9 of the Code, above, "Secured Transactions; Sales of Accounts, Contract Rights and Chattel Paper," is of particular interest to the instalment credit and consumer finance field. Article 9 is not designed to take the place of legislation, present or future, regulating instalment selling or consumer financing. In this regard the explanatory comment contained under Article 9 states:

"This Article sets out a comprehensive scheme for the regulation of security interests in personal property and

fixtures. It supersedes existing legislation dealing with such security devices as chattel mortgages, conditional sales, trust receipts, factor's liens and assignments of accounts receivable.

"Consumer instalment sales and consumer loans present problems of a nature which makes special regulation of them inappropriate in a general commercial codification. Many states now regulate such loans and sales under small loan acts, retail instalment selling acts and the like. While this Article applies generally to security interests in consumer goods, it is not designed to supersede such regulatory legislation. Nor is this Article designed as a substitute for small loan acts or retail instalment selling acts in any state which does not presently have such legislation."

In amazingly fast action the draft of the Uniform Commercial Code published in 1952 was adopted without amendment by Pennsylvania in 1953. In that year, also, the New York legislature referred the Code to the New York Law Revision Commission, and after painstaking study a number of amendments were suggested. These were studied by the Editorial Board and adopted, and they were approved at the annual meeting of the Conference in 1957. In September 1957 Massachusetts adopted the new "1957 Official Text," with a few minor amendments. Kentucky followed suit and adopted the Code in 1958, and Connecticut in 1959. Active consideration of the Code is pending in a number of states including New York, and the District of Columbia.

This great, joint effort by the National Conference of Commissioners on Uniform State Laws and American Law Institute to advance the cause of clarity, certainty and uniformity in the field of commercial law may well give inspiration toward the same goals in the matter of the instalment selling legislation that is now pending in many states.

★★★

Monthly CREDIT STATISTICS



CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts of short- and intermediate-term credit outstanding, in millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			
		Total	Auto- mobile paper ¹	Other consumer goods paper ¹	Repair and mod- ernization loans ²	Personal loans	Total	Single- payment loans	Charge accounts	Service credit
1939.....	7,222	4,503	1,497	1,620	296	1,088	2,719	787	1,414	518
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945.....	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1949.....	17,305	11,590	4,555	3,706	898	2,431	5,715	1,532	2,795	1,389
1950.....	21,395	14,703	6,074	4,799	1,016	2,814	6,692	1,821	3,291	1,580
1951.....	22,617	15,294	5,972	4,880	1,085	3,357	7,323	1,934	3,605	1,784
1952.....	27,401	19,403	7,733	6,174	1,385	4,111	7,998	2,120	4,011	1,867
1953.....	31,243	23,005	9,835	6,779	1,610	4,781	8,238	2,187	4,124	1,927
1954.....	32,292	23,568	9,809	6,751	1,616	5,392	8,724	2,408	4,308	2,008
1955.....	38,670	28,958	13,472	7,634	1,689	6,163	9,712	3,002	4,579	2,131
1956.....	42,097	31,827	14,459	8,510	1,895	6,963	10,270	3,253	4,735	2,282
1957.....	44,776	34,105	15,496	8,687	1,984	7,938	10,671	3,502	4,760	2,409
1958—June.....	43,079	33,008	14,590	8,190	2,048	8,180	10,071	3,482	4,012	2,577
July.....	42,923	33,074	14,567	8,197	2,061	8,249	9,849	3,373	3,927	2,549
Aug.....	43,128	33,165	14,514	8,254	2,091	8,306	9,963	3,453	3,956	2,554
Sept.....	43,144	33,079	14,332	8,312	2,107	8,328	10,065	3,495	4,033	2,537
Oct.....	43,164	33,052	14,164	8,411	2,128	8,349	10,112	3,414	4,191	2,507
Nov.....	43,464	33,126	14,066	8,528	2,146	8,386	10,338	3,499	4,297	2,542
Dec.....	45,065	33,965	14,131	9,007	2,145	8,582	11,200	3,543	5,018	2,639
1959—Jan.....	44,415	33,768	14,155	8,881	2,125	8,607	10,647	3,464	4,504	2,679
Feb.....	44,071	33,751	14,223	8,767	2,116	8,645	10,320	3,563	4,004	2,753
Mar.....	44,203	33,943	14,375	8,721	2,127	8,720	10,260	3,618	3,883	2,759
Apr.....	44,916	34,453	14,686	8,777	2,149	8,841	10,463	3,674	3,997	2,792
May.....	45,790	35,029	14,991	8,911	2,198	8,929	10,761	3,779	4,220	2,762
June.....	46,716	35,810	15,419	9,077	2,240	9,074	10,906	3,842	4,318	2,746

¹ Represents all consumer instalment credit extended for the purpose of purchasing automobiles and other consumer goods, whether held by retail outlets or financial institutions. Includes credit on purchases by individuals of automobiles or other consumer goods that may be used in part for business.

² Represents repair and modernization loans held by financial institutions; holdings of retail outlets are included in other consumer goods paper.

NOTE.—Monthly figures for the period December 1939 through 1947 and a general description of the series are shown on pp. 336-354 of the BULLETIN for April 1953. Revised monthly figures for the period January 1948-August 1956, together with a description of the revision, are shown on pp. 1031-1042 of the BULLETIN for October 1956. A detailed description of the methods used to derive the estimates may be obtained from Division of Research and Statistics.

INSTALMENT CREDIT, BY HOLDER

[Estimated amounts outstanding, in millions of dollars]

End of year or month	Total instalment credit	Financial institutions						Retail outlets					
		Total	Com- mercial banks	Sales finance com- panies	Credit unions	Con- sumer finance com- panies ¹	Other ¹	Total	Depart- ment stores ²	Furni- ture stores	House- hold appli- ance stores	Auto- mobile dealers ²	Other
1939.....	4,503	3,065	1,079	1,197	132	.....	657	1,438	354	439	183	123	339
1941.....	6,085	4,480	1,726	1,797	198	.....	759	1,605	320	496	206	188	395
1945.....	2,462	1,776	745	300	102	.....	629	686	131	240	17	28	270
1949.....	11,590	9,257	4,439	2,944	438	.....	1,436	2,333	596	740	178	236	583
1950.....	14,703	11,805	5,798	3,711	590	1,286	420	2,898	746	827	267	287	771
1951.....	15,294	12,124	5,771	3,654	635	1,555	509	3,170	924	810	243	290	903
1952.....	19,403	15,581	7,524	4,711	837	1,866	643	3,822	1,107	943	301	389	1,082
1953.....	23,005	18,963	8,998	5,927	1,124	2,137	777	4,042	1,064	1,004	377	527	1,070
1954.....	23,568	19,450	8,796	6,144	1,342	2,257	911	4,118	1,242	964	377	463	1,052
1955.....	28,958	24,459	12,612	8,443	1,678	2,656	1,072	4,508	1,511	1,044	365	487	1,101
1956.....	31,827	27,084	11,707	9,100	2,014	3,056	1,207	4,743	1,408	1,187	377	502	1,269
1957.....	34,105	29,375	12,714	9,573	2,472	3,332	1,284	4,730	1,393	1,146	374	529	1,288
1958—June.....	33,008	28,774	12,520	9,105	2,510	3,283	1,356	4,234	1,310	1,093	339	444	1,048
July.....	33,074	28,917	12,606	9,121	2,545	3,292	1,353	4,157	1,241	1,093	338	443	1,042
Aug.....	33,165	28,983	12,655	9,083	2,578	3,294	1,373	4,182	1,251	1,110	340	440	1,041
Sept.....	33,079	28,758	12,607	8,891	2,591	3,280	1,389	4,321	1,393	1,110	344	433	1,041
Oct.....	33,052	28,666	12,612	8,777	2,613	3,274	1,390	4,366	1,426	1,126	346	427	1,061
Nov.....	33,126	28,648	12,617	8,708	2,628	3,281	1,414	4,478	1,474	1,149	351	424	1,080
Dec.....	33,965	28,943	12,730	8,740	2,664	3,381	1,428	4,922	1,702	1,220	360	425	1,215
1959—Jan.....	33,768	29,016	12,856	8,733	2,639	3,374	1,414	4,752	1,615	1,183	356	425	1,173
Feb.....	33,751	29,070	12,884	8,724	2,661	3,372	1,429	4,681	1,611	1,166	350	427	1,127
Mar.....	33,943	29,324	13,028	8,780	2,700	3,371	1,445	4,619	1,581	1,129	348	430	1,131
Apr.....	34,453	29,825	13,312	8,921	2,754	3,379	1,459	4,628	1,582	1,127	347	439	1,133
May.....	35,029	30,333	13,568	9,089	2,802	3,385	1,489	4,696	1,606	1,128	349	448	1,165
June.....	35,810	31,032	13,882	9,350	2,881	3,416	1,503	4,778	1,639	1,136	349	461	1,193

¹ Consumer finance companies included with "other" financial institutions until September 1950.
² Includes mail-order houses.

¹ Represents automobile paper only; other instalment credit held by automobile dealers is included with "other" retail outlets.

Editorial Comment

N.R.C.A. Membership

MEMBERS are to an Association what the heart is to the human body. Each represents that vital ingredient so essential to the function of life itself. Both must be treated with utmost care. Good judgment in each instance will assure excellent health, growth, and longevity.

N.R.C.A. has followed a normal growth pattern to maturity. In 1962 we will celebrate our 50th anniversary of service. For some time the officers and directors have been evaluating past experience and planning for the future of this professional organization in light of the rapid expansion of consumer credit.

Realizing that no organization can afford to stand still they have elected to move ahead. Several new membership services are now in the implementing stage. In this month's CREDIT WORLD are two important announcements, first, the N.R.C.A. Group Insurance Plan for members, and second, the official launching of "PROJECT P-U-S-H."

The new group insurance plan is described on page one of this CREDIT WORLD. You will soon receive, in the mail, a descriptive booklet about the plan and how you may make application for coverage. It is recommended that you give serious consideration to participation in this important membership service.

"PROJECT P-U-S-H . . . 62,000 members in '62," is the brain child of the Membership Committee. Co-Chairmen Charles F. Sheldon and Clarence E. Wolfinger are heading up this important project. Together they have developed a program designed to reach down to the local Association. The center spread of The CREDIT WORLD is given over

to "PROJECT P-U-S-H." It is a continuous campaign and will go on until 1962, our 50th Anniversary.

President David K. Blair, the officers and directors, and the National Headquarters staff are actively behind "PROJECT P-U-S-H." It is their hope that you too will become interested and take an active part. Your National Office will be happy to furnish you with membership kits and supplies. A letter to our office will bring these tools to you. If each of our 47,000 members sponsored only one new member, the Committee would exceed its goal the first year. They are depending upon your support.

We, at National Headquarters, have taken a familiar statement, changed it a bit, and adopted it as our credo:

This We Believe

A member is the most important person in this Association, in person or by mail.

A member is not dependent on us—we are dependent upon him.

A member is not an interruption of our work—he is the purpose of it.

We are not doing him a favor by serving him—he is doing us a favor by giving us the opportunity to do so.

A member is not an outsider to our Association—he is part of it.

A member is not a cold statistic—he is a flesh and blood human being with feelings and emotions like our own.

A member is a person who depends upon us to keep him informed on current professional information. It is our job to assist him in every way we can.

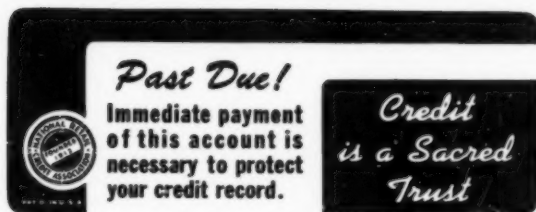
We shall serve him well.

William H. Blake

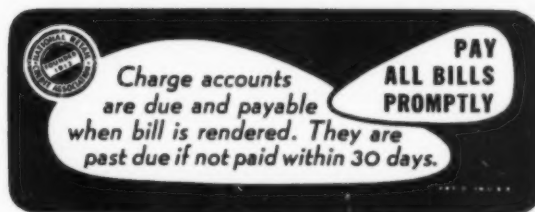
Executive Vice President

NATIONAL RETAIL CREDIT ASSOCIATION

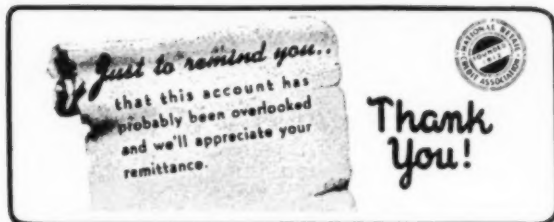
Inexpensive and Effective Stickers



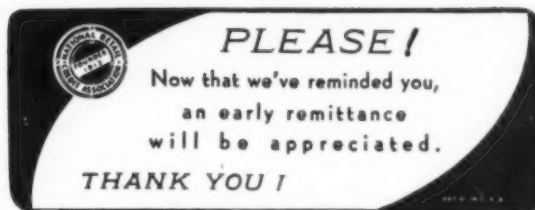
C-2 Black on White



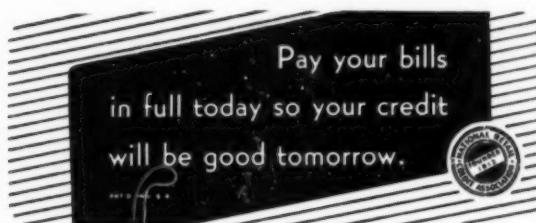
C-5 Black on White



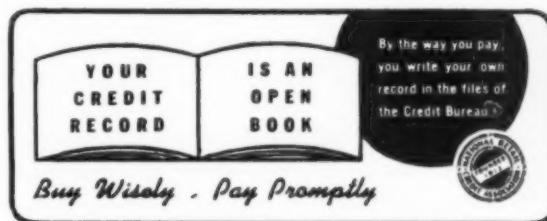
C-18 Black and Blue on Yellow



C-19 Orange and Black on White



C-4 Black on Yellow



C-3 Purple and Black on White



C-1 Blue and Yellow on White

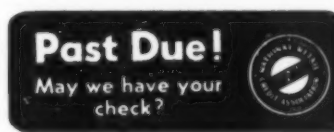


C-20 Black and Yellow on White

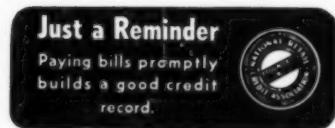


C-21 Red on White

500	\$2.25
1,000	4.00
1,000 (assorted)	4.50



C-23 Green on White



C-22 Dark Blue on White

Stickers on this page are shown actual size and are printed on high gloss gummed paper.

Write today for free sample kit showing full line of stickers and inserts.



R-8 Orange on White

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 30, MO.

NOW AVAILABLE

A new service for
Members of National Retail Credit Association*

GROUP LIFE INSURANCE

with these
OUTSTANDING ADVANTAGES

- **LOW COST**
Life insurance premiums are lower through a group policy
- **NO AGE RESTRICTION**
Everyone is eligible regardless of age
- **NO MEDICAL RESTRICTIONS**
No physical examinations are required during initial enrollment period
- **WAIVER OF PREMIUM BENEFIT**
No premium payments necessary if total and permanent disability occurs prior to age 60



*State insurance laws do not permit members who live in New Jersey, Ohio, Texas and Wisconsin to participate.

TURN TO PAGE ONE FOR FURTHER DETAILS

You Cannot Afford to be Without This Additional Protection

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

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MR. EUGENE B. POWER
UNIVERSITY MICROFILMS
313 NO. FIRST ST.
ANN ARBOR, MICH.